

**THE TIMES**  
**Tomorrow**

At the seaside  
Alan Hamilton casts a critical eye on British beach holidays

From Wales with love  
The hidden joys of the Pembrokeshire coast and a traveller's tale from Russia

Saga, so good  
How to put up those friends and relatives who come to stay for the weekend

On the centre court  
Rex Bellamy reports on the final hours of Wimbledon '83

Up the river  
Jim Railton on the Henley Regatta

## No charges against tax group

The Inland Revenue has decided not to take any criminal proceedings against Rossmunster, the former tax avoidance group, or its principals - who included Mr Roy Tucker, Mr Ronald Plummer and Mr Tom Benyon, the former Conservative MP for Abingdon - Sir Michael Havers, the Attorney-General announced in a written parliamentary answer.

## Labour fears on Meacher

Labour MPs predicted a breakdown of morale in the parliamentary party if Mr Michael Meacher was elected deputy leader instead of Mr Roy Hattersley, whom most expect to lose the leadership contest with Mr Neil Kinnock. Page 2

## £28m for Rock

Mrs Thatcher is understood to have told Sir Joshua Hassan, Gibraltar's Chief Minister that Britain will provide £28m to help economic development on the Rock.

## Grammars lead

Figures in grammar and secondary modern schools get 30 to 40 per cent more O level passes than children at comprehensive, a study indicates. Page 3

## Bank name goes

Williams and Glyn's bank name will disappear from England and Wales in two years under a new proposal by its parent Royal Bank of Scotland Group. Page 19

## The only nice thing about it is the price



## Vjonojo resigns

Mr Charles Vjonojo resigned his seat as a Kenyon MP a day after resigning as Minister of Constitutional Affairs by President Moi. Page 5

## Wimbledon final

Women's singles final at Wimbledon will be between the defending champion, Martina Navratilova, and Andrea Jaeger, aged 18, after the most one-sided semi-finals since 1958. Page 25

## Lonrho loses Harrods demerger vote

Lonrho's bid to demerge Harrods from the group was defeated yesterday. The issue was raised by Fraser's largest shareholder, Lonrho, whose chief executive, Mr Roland (Tiny) Rowland, pledged last night to continue battling for separation of the department store in Knightsbridge, London.

## Police report criticizes Ripper hunt blunders

The police search for the Yorkshire Ripper missed every clue which pointed to Peter Sutcliffe, according to the internal report into the handling of the investigation published yesterday.

## Backbenchers pick du Cann to lead again

Mr Edward du Cann was re-elected chairman of the 1922 Committee of Conservative backbenchers for the eleventh successive year yesterday, defeating a challenge from Mr Cranley Onslow.

## Prince plays Klondike Charles

The Prince of Wales, dressed up like his great-grandfather, Edward VII, on a visit to Canada in 1860, climbing gingerly from a horse-drawn wagon at Edmonton when the town turned out in Gold Rush fashion. Twirling his brass-topped cane, he put on a dramatic performance reminiscent of another famous Charles.

## Steel cut by EEC less than expected

A further reduction of 500,000 tonnes in Britain's finished steel making capacity was ordered yesterday by the European Commission, most of which is likely to be achieved as a result of continuing privatization of the British Steel Corporation.

# Murray condemns political strikes and Scargill action

By Paul Routledge and Barrie Clement

Mr Len Murray, general secretary of the Trade Union Congress, yesterday signalled a thaw in relations between the unions and the Government and dismissed political strikes against the Conservatives as "plain daft".

Mr Norman Tebbit, Secretary of State for Employment, indicated that the TUC's willingness to talk would very shortly be put to the test.

Speaking before a speech to the annual conference of the National Union of Railwaymen in Bridlington, Mr Murray said that Mr Scargill and two Labour MPs did not name were talking "a lot of nonsense" and their brand of extra-parliamentary action was giving it a bad name.

"We have always taken action outside Parliament. It is a perfectly valid activity. It is complementary to what we are doing", Mr Murray said.

"So people who confuse that with blood running down the barricades, or who try to create that impression, are talking nonsense and creating a bad impression", he said.

Ministers noted with approval the conciliatory tone of Mr Murray's speech later to the railwaymen's conference, after the distinct freeze in the relationship between the

## Jobless total rises - but more slowly

By Frances Williams, Economics Correspondent

More than 128,400 young people left school last month for the dole queues, pushing the official count of those out of work up to 3,112,354 from 3,049,351 in May.

In all, some 247,360 school leavers are now jobless, the highest figure for June, about half left school before this summer.

The June unemployment figures are again complicated by budget measures that have taken nearly 19,000 older men out of the official count. But the underlying movement remains steadily upward, though at a slower rate than last year.

The number of people out of work, excluding school leavers and adjusted for seasonal factors, rose by 19,300 in June after a rise of 23,000 the month before. So far this year unemployment has increased by about 24,000 a month, a modest deceleration from the 29,000 a month seen in the second half of 1982, while the number of vacancies has risen by a third.

But 18,800 men aged 60 and above dropped out of the official count last month, so that the seasonally adjusted adult total for June shows an apparent increase of only 500.

## Lords rule deserted husband can go home

By Frances Gibb, Legal Affairs Correspondent

A deserted husband who was ousted from the matrimonial home by a controversial court ruling because his wife would not otherwise live there with the children can now return, after a House of Lords judgment yesterday.

In a unanimous decision with far-reaching implications for family law, five lords presided over by Lord Hailsham of St Marylebone, the Lord Chancellor, overturned what was widely held to be an unjust ruling, even by the judges who made it in their efforts to apply the law.

The Lords upheld an appeal by Mr Gordon Richards, aged 32, a bricklayer, against a Court of Appeal ruling that he must leave his three-bedroomed council house at Warrham, Dorset, so his wife and two children, aged six and four, could return.

Lord Hailsham said: "It must now be clear, and I believe that it ought to have been clear all along, that the wife has never made out a case for excluding the husband from the home."

But he urged the couple not to take too much advantage of the Lords' ruling. Through "good sense" they had reached an arrangement whereby the wife lived at the home in the week and husband at weekends, alternating care of the children.

It seems likely that arrangement will now end. Mr Edmund Buck, solicitor for Mr Richards, said that Mr Richards, now living with his father at Corfe Castle, would make arrangements to return full-time.

Solicitors for Mrs Christine Richards, aged 30, said that she had envisaged the possibility of the law lords' decision and made arrangements to live elsewhere with the children.

Mrs Richards is expected to drop her divorce petition on grounds of her husband's behaviour, which she described as "rubbish" and "extremely flimsy", and amounting to no more than her being disenchanted with her husband. She will instead seek proceedings after a period of separation.

The judgment will be welcomed by lawyers as clarifying a very confused area of law.

Law report, page 8

## Prince plays Klondike Charles



The Prince of Wales, dressed up like his great-grandfather, Edward VII, on a visit to Canada in 1860, climbing gingerly from a horse-drawn wagon at Edmonton when the town turned out in Gold Rush fashion. Twirling his brass-topped cane, he put on a dramatic performance reminiscent of another famous Charles.

## Peace deal agreed at Financial Times

By David Felton, Labour Correspondent

The management at the Financial Times were confident last night that the newspaper will reappear next Tuesday following an agreement with the National Graphical Association (NGA) to put the dispute to mediation which was underwritten by Mr Len Murray, general secretary of the Trade Union Congress (TUC).

Mr Murray said in a statement attached to the six-point procedural agreement for ending the four-week strike: "The TUC would expect both parties to respect the outcome of the agreed procedure and act upon its recommendations."

That was seen by observers as a clear indication that Mr Murray has told the NGA that he wants the findings of the mediator, appointed by the Advisory Conciliation and Arbitration Service (ACAS), accepted even though they will not be binding.

The procedural agreement was signed at Acas on Wednesday night after seven hours of negotiations involving Mr Murray and Mr Kenneth Graham, TUC assistant general secretary. The last time the TUC intervened directly in a

Continued on back page, col 5

## New murder inquiry as dead girl is found

By Stewart Tendler, Crime Reporter

A second murder inquiry in the Derbyshire Peak District began yesterday after the discovery of the body of a girl, aged 16, 10 miles from the spot where Miss Susan Renhard, aged 21, was found strangled on Monday.

Det Chief Supt Sydney Thompson, head of Derbyshire CID, said the possibility of a link between the two killings was being examined. Police officers investigating the death of Miss Renhard, a student at Manchester Polytechnic, have been drafted into the new inquiry.

Police using tracker dogs found the body of the girl yesterday hidden in undergrowth on waste ground near the site of a Roman fort called Melandra Castle at Gamesby Glasson.

The police declined to identify the girl but said they had been searching for a girl of 16, from one of the estates, who disappeared after a party on Saturday last week.

No details of how the girl died have been disclosed. Miss Renhard's body was found half naked with her hands bound near Feveril Castle, Castleton, on the other side of Kinderscout and The Peak from where the girl was found.

## Lonrho loses Harrods demerger vote

By Philip Robinson

Fresh moves to separate Harrods from the House of Fraser stores group were defeated yesterday. The issue was raised by Fraser's largest shareholder, Lonrho, whose chief executive, Mr Roland (Tiny) Rowland, pledged last night to continue battling for separation of the department store in Knightsbridge, London.

But Fraser's chairman, Professor Roland Smith hinted that he might ask for Government action to curb what he sees as constant harassment from Lonrho, preventing Fraser directors from running the business.

Yesterday's vote at a shareholders' meeting in Glasgow, was the fifteenth forced by Lonrho in the past three years. It has two representatives on

new shareholders who have emerged in the past two months. More than 42 million shares have changed hands, most of them bought by overseas-based investors.

Prof Smith, referring to significant changes in shareholdings, in particular, "the accumulation in a few foreign holdings of a large number of shares", said: "I do not regard this issue as dead."

That is being taken as an indication that the Fraser board may ask a Government department to inquire into the purchases and the motives behind them.

Mr Rowland said after the meeting: "Harrods will be demerged. We shall not go away. We have started something and will see it through to the end."

## Steel cut by EEC less than expected

From Edward Townsend and Ian Murray

A further reduction of 500,000 tonnes in Britain's finished steel making capacity was ordered yesterday by the European Commission, most of which is likely to be achieved as a result of continuing privatization of the British Steel Corporation.

The new cuts, demanded by the EEC under the five-year steel crisis plan begun in 1980, are half what had been expected and are less than those being imposed on any other of the major EEC producers.

According to Whitehall sources, ministers were "relaxed" about the extra reductions. They follow the unequivocal statement by Mr Cecil Parkinson, Secretary of State for Trade and Industry, last week that the Government would not authorize further contraction of the crude steel-making capacity, which would continue at the five existing UK sites, including Ravenscraig in Scotland.

It appears that the Government has accepted the new cuts in finished steel capacity, which

The British Steel Corporation subsidiary of Redpath De Groot Caledonian and the UK arm of UTE of France have won a £45m contract to build the steel jacket for the drilling platform for the Alwyn North Field oil and gas discovery in the North Sea.

in particular affects strip mills, to be able to provide up to £1,390m in state aid to the industry.

The BSC, which is expecting to break even by the end of 1984-85, and the private sector have shut almost 4.4 million tonnes of capacity in recent years and shed 50,000 jobs, the highest figures in the Community.

This further cut means that Britain along with France is being required to take the largest reduction in capacity of all the member states.

Italy, however, has been singled out by the Commission to make by far the largest cuts this time, because the Italian industry has made very little effort to cut back its capacity since 1980.

The cuts now being required by the Commission total 8,300,000 tonnes and will bring the amount of smelt down capacity in the EEC up to 26,736,000 tonnes since 1980.

The extra cutbacks have been divided up as follows: Italy 3,460,000 tonnes; Belgium 1,400,000 tonnes; West Germany 1,200,000 tonnes; Holland 700,000 tonnes; Luxembourg 410,000 tonnes.

ROME: Traffic in Genoa was blocked yesterday when about 4,000 workers from the state-owned Italcristal steelworks marched through the city centre in protest against production cuts ordered by the EEC (John Earle writes).

### VICTORIA WINE

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# MPs say morale will collapse if Meacher wins deputy leadership

By Anthony Bevis, Political Correspondent

Labour MPs said yesterday that if Mr Michael Meacher, the hard-left contender for the Party's deputy leadership, was elected there would be a complete breakdown of morale and discipline within the parliamentary party.

Most MPs now agree, or at least concede, that Mr Neil Kinnock is set to become party leader, beating Mr Roy Hattersley in the electoral college contest to be held in Brighton on October 2.

But there is increasing concern that Mr Meacher's concerted campaign could capitalize on Mr Wedgwood Benn's undoubted backing in the constituency parties and the unions to inflict a second, more humiliating defeat on Mr Hattersley, for the deputy leadership.

The Union leaders hold the balance and if they opted to give the post to Mr Meacher, MPs would regard the result as a "political atrocity", the "hammer blow" as one member of the Shadow Cabinet described it last night.

Mr Giles Radice, chairman of the centre-right Manifesto Group of Labour MPs, said: "I have nothing against Michael Meacher personally, but if by some misfortune he were to be elected deputy leader it would be electorally disastrous for the party."

Mr Radice has already said that the party has two years, and a 50-50 chance, to prove that it can remain a significant political force. If it failed, he said yesterday: "We will be cast into the dustbin of history and we will richly deserve our fate".

Some of Mr Radice's colleagues, even those on the soft left, believe that he is being optimistic, arguing that if the party has not taken off by the time of the European Parliament elections next June, it will have no chance at the next general election.

Mr Gwyneth Dunwoody, another contender for the deputy leadership, said yesterday: "The body of the party is dying at every level, in every limb".

She said that the party had to rebuild its organizational power base in time to make large-scale gains in next year's local elections in May. "If by that time we still have not completed most of that task then we cannot hope to throw out the Tories at the next general election".

There are some MPs who say that if, in a year's time, Labour was still not winning by-elections they might then consider the "heresy" of attempting to join up with the Alliance.

But the more common response is the reaction that is prompted by the thought of a Kinnock-Meacher leadership that MPs would "opt out" of official Labour activity in the Commons.

Although MPs were not prepared to be quoted, a representative sample said the election of Mr Meacher would mean "a massacre", "a recipe for three million votes and 40 seats", and that the parliamentary party would "disintegrate" or "not last a month".

It was suggested that many of the party's most senior MPs would refuse to stand for the Shadow Cabinet or serve under Mr Meacher in any capacity. "We'd just let the hard left get on with it", one MP said.

Meanwhile, Mr Hattersley yesterday issued a statement in which he said that the principle of one-member-one-vote must become a basic element in party democracy for leadership and candidate selection procedures.

## Acas attacks public sector pay policy

By Barrie Clement, Labour Reporter

Strong criticism of the Government's public sector pay policy was made yesterday by the Advisory, Conciliation and Arbitration Service (Acas), an organization that usually avoids political controversy.

Tough, centrally imposed cash limits were partly to blame for public sector strikes which formed a high proportion of working days lost nationally, according to the Acas annual report for 1982.

The document calls on the Government to develop "satisfactory systems for pay determination" in the six-million-strong, non-trading division of government and the education and health service to deal with a situation that has become, it says, a big problem in industrial relations.

The strict budgetary policy leads to low initial pay offers, creates the impression of inflexibility and therefore causes stoppages, Acas believes. Mr Fat Lowry, the Acas chairman, says that the problem is not so much the cash limit as their announcement in advance of negotiations.

The report says: "The difficulties arise partly from the special problems imposed by the role of government as paymaster. What can be afforded by way of wage increases, or withheld in terms of strike

## Redundant steelmen sue unions

From The Jones Cardiff

A High Court writ has been issued against three trade unions in an action that could lead to claims totalling more than £1m.

The writ, issued on Monday in the Chancery Division of the High Court in London, alleges that the unions failed to look after the interests of their members when they accepted redundancy for the closure of the East Moors steelworks in Cardiff.

Eight former British Steel Corporation employees are named on the writ, which has been taken out against the Iron and Steel Trades Confederation, the Amalgamated Union of Engineering Workers, and Transport and General Workers' Union.

The action could broaden next week when solicitors acting for the eight men, who have been granted legal aid, will take over a public hall for two days to hold interviews with the 600-member protest group formed to fight for compensation.

Unions have legal immunity against being sued in an action in tort, but it is understood that solicitors acting for the men will be arguing that they can be sued in contract.

The action centres on the events surrounding the closure of the plant which used to dominate the Cardiff skyline. According to the men who have formed themselves into the East Moors Early Leavers' Group, the corporation told the unions in September, 1977, that they would be prepared to offer money substantially more than statutory redundancy to close the plant earlier than planned.

The action alleges that the unions did not let all the men know of the possibility of increased payments, and that they accepted redundancy under the impression the plant would remain open for another three years.

When the plant shut some workers who remained until the end received payments of more than £15,000, but others who left just weeks before the shutdown got only £4,000.



Flying start: A de Havilland Dash 7 short take off and landing aircraft demonstrating yesterday the feasibility of operating "the quiet airliner" from a runway in the Royal Docks in the London docklands.

## BMA conference Health service 'no longer best'

From Pat Healy, Social Services Correspondent, Dundee

The British Medical Association reacted yesterday to the changing fortunes of the National Health Service by saying that it is no longer the envy of the world.

Its annual conference in Dundee overwhelmingly passed a resolution stating that, because of inadequate funding, patients could no longer expect the best possible care from the health service.

Dr T H McKinstrey, of Northern Ireland, said that standards of medicine were high in Britain, but people were dying because of a lack of kidney machines and other facilities that were available in other countries. It was time that the health service was brought up to scratch.

Mr Anthony Grahnam, chairman of the BMA Council, said the health service might not be the envy of the world any longer, but "it jolly well should be". It had better services than anywhere else he had seen, and the general practitioner service was better than anywhere in the world.

If he was an ordinary person and had an acute abdominal emergency, he would be reasonably confident of getting proper treatment in Britain, but "drop me down in the middle of the United States and I would be very worried indeed".

Dr Arnold Elliott, chairman of the BMA's GP's committee, said there was something wrong when the Secretary of State could tell the House of Commons that the health service was going to get more real money while GPs knew that services were deteriorating.

There were longer waiting lists for patients to see consultants, and it took five years in Greater London to get an elderly person needing a hip joint replacement into hospital.

Earlier, overseas doctors at the conference criticized their colleagues for declining to debate an emergency resolution calling for a campaign against racism in the medical profession.

Dr Ruppen Brahma, a consultant psychiatrist from Waltham Forest, north-east London, said that racism, like sex, was practised but not talked about. The BMA has pushed the issue under the carpet as if it did not exist, which could be seen as silent collusion.

"I do not wish our association to appear defensive because it is quite impossible for any organization or profession to declare that none of its members harbour or even act in a racially prejudiced manner. The honourable thing to do would be to declare that the BMA is totally against racism, and that it would oppose any such behaviour in the profession."

The motion was lost because a move to stand for a resolution to take it failed to achieve the recruited two-thirds majority.

## More likely to be spent on NHS

By David Walker

Barring "catastrophic recession", the Government is planning a decade of "real growth" in spending on the National Health Service, Mr Kenneth Clarke, minister for health, announced yesterday.

A circular has been issued to regional health authorities telling them to plan on spending an extra half a per cent a year over and above money for pay and price rises.

This assumption, which Mr Clarke admitted was not "based on the Treasury's more favourable view of the situation at present, being used."

In 10 years time, providing that health authorities made savings and increased the productivity of doctors, nurses, and ancillaries, the health service should be fairer and providing a better quality service, Mr Clarke said.

Critics of the Government have argued that growth of half a per cent is insufficient to pay for the expensive care needed for the growing number of the elderly. Mr Clarke yesterday emphasized the continuing need for regional authorities to seek value for money and so provide the margin necessary to cope with demographic changes.

## Sale room

## Munch colour print takes top price

By Geraldine Norman, Sale Room Correspondent

Edvard Munch's haunting works are always among the most expensive offerings in modern print sales and yesterday saw one achieve the top price at Christie's. A woodcut and lithograph printed in colours, called "Mädchen auf der Brücke" and executed in 1902, sold for £22,000 (estimate £20,000 to £25,000) to Bellman, a New York dealer.

There was also an uncoloured impression of his 1903 lithograph "Madonna". It sold at £25,920 (estimate £15,000 to £20,000). The prices seemed to indicate that the difficulties experienced in selling Munch works at recent auctions was only a hiccup in the market.

Picasso prices were also high, with his 1905 "Tete de femme de profil" at £19,440 (estimate £15,000 to £20,000) and "Nature morte sous la Lampe", at the same price (estimate £12,000 to £16,000).

German expressionists were particularly in demand, with David Tunkin of New York paying £12,960 (estimate £6,000 to £8,000) for Heckel's "Akt am Strand".

The sale of important modern prints totalled \$662,590 with 10 per cent left unsold.

Sotheby's completed its three-session summer sale of Impressionist and modern art yesterday, having earned a total of £4,762,186 with 23 per cent left unsold. Among the highlights was the record-breaking Otto Dix self-portrait of 1923, with the artist fully dressed and a model naked at £220,000 (estimate £140,000 to £180,000) and a tiny Picasso titled "Fots et Citron" at £231,000 (estimate £100,000 to £150,000).

## GPs may tell, medical chief says

By John Witherow

Family doctors should in special cases be allowed to disclose confidences of young patients, Sir John Walton, the president of the General Medical Council said yesterday.

He believed that they would face no disciplinary action if they could produce strong arguments to justify breaches of confidence of under-age patients. "If they have good medical reasons and believe it is in the best interests of the patient or society they would be right to break confidentiality against a patient's wishes", he told the magazine, *General Practitioner*.

The GMC is to issue new guidelines to doctors in August and is expected to say they must respect the confidentiality of girls under 16 who want contraception or an abortion without their parents' knowledge.

A recent statement by Mr Robert Gray, the deputy registrar of the GMC, that doctors who ignored the guidelines could be disciplined, led to angry protests from parents and doctors.

Sir John added: "Doctors must make every effort to persuade minors either to inform, or allow their parents to be informed, about matters affecting their wellbeing. But if patients refuse to give consent, then, generally, doctors should respect confidentiality."

However, he said there were exceptions and the GMC had issued a powerful recommendation, not a prohibition.

## Rhine command assumed by tank expert

One of the most widely respected figures in the British Army, General Sir Nigel Bagnall, today takes over as Commander-in-Chief, British Army of the Rhine, and Commander of Nato's Northern Army Group (our Defence Correspondent writes).

He succeeds General Sir Michael Gow who will carry out internal studies for the Ministry of Defence.

Sir Nigel, aged 56, has a reputation for expressing his views forthrightly to his subordinates and superiors.

He was commissioned in The Green Howards, an infantry regiment, but also served in The Parachute Regiment before transferring to the 4th/7th Royal Dragoon Guards. It was as an expert in armoured warfare that he made his name.

Apart from his great experience of army command, Sir Nigel has a high reputation for his abilities to achieve cooperation with the other armed Services and with the Civil Service.

From 1973 to 1975 he was secretary to the Chiefs of Staff Committee and from 1978 for two years was Assistant Chief of the Defence Staff responsible for policy. In both those roles he showed a mastery of paperwork and an ability to secure agreement on difficult issues.

## Science report

## Cricket ball secrets tumble

By the Staff of Nature

Ever faithful to their nation's interests, and still in time for the cricket Test matches, scientists at Imperial College, London, have some information that may be to the advantage of England's bowlers. They have discovered the secret of making a cricket ball swing in flight: release the ball at a velocity of 30 metres per second, spinning backwards at a steady 11 revolutions per second, and with the seam at an angle of 20 degrees to the line of flight.

No doubt provoked by the fact that the only previous scientific data on the swing of a cricket ball came from an Australian research establishment, a team from the Department of Aeronautics at Imperial College has restored the balance in this research vital to the nation's victories on the field. At the same time, they have disposed of a popular myth on the subject.

Swing is dependent upon the seam of the ball, which disturbs the smooth air flow around one of its hemispheres. The turbulence of the flow on one side and its smoothness on the other produce a pressure difference which forces the ball to move sideways through the air.

The conditions under which this happens are quite complicated, however, and if the ball is projected at too high a speed, turbulent flow develops on both sides of the ball, destroying the pressure difference and the swing effect.

To learn more about this, the team projected spinning cricket balls into a wind tunnel and gauged the influence of a variety of factors on swing by means of pressure sensors embedded into the surface of the ball.

From tests on 23 balls of varying quality, the conclusion was that maximum swing depends on ball velocity, spin and seam angle in a complex way. Best results are obtained with a velocity of 30 metres per second (about 70 miles an hour), a spin of 11.4 revolutions per second and the seam at an angle of 20 degrees to flight.

But at lower speeds all the factors change, for example, for velocity of 20 metres per second, the ball swings best if the spin is increased to 14 revs per second and the seam angle reduced to about 10 degrees. Unfortunately, British swing bowlers are not thought to be capable of making the necessary calculations during their run up.

Another factor investigated was air humidity, since it is widely believed that humid or damp days are conducive to swing bowling. This has been put down to swelling of the seam, making it more effective at setting up turbulent flow on one side of the ball.

However, measurements of the thickness of the seam showed that no aerodynamically significant swelling occurred after soaking the ball in water and the degree of humidity had no effect on swing.

Not wishing to undermine the confidence of team captains faced with the choice of batting first or putting the other side in on a humid day, the Imperial College team suggests that humidity may make the ball's surface slightly sticky and therefore easier to grip. The bowler, perhaps without knowing it, therefore imparts a greater spin to the ball.

Source: *Nature* vol 303, 9/7/83, June 30, 1983  
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## 'Fairer' entry to Oxford is backed

By Paul Flather

Proposals to make the Oxford University admissions system "simpler and fairer" have passed their first big test, gaining the broad support of most of the 28 colleges admitting undergraduates.

The support came in a straw poll at a meeting of college representatives, and it seems likely that the reforms, including abolition of the seventh term entry examination, will be approved when a decision is made in November.

It is widely expected that the proposals will encourage more state school entrants to Oxford, meeting one of the underlying criticisms of the present system, that it appears to discriminate in favour of private school applicants.

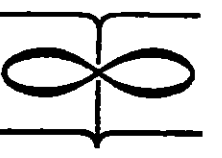


### Lloyds Bank

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For further information please telephone or write to: Miss Sue Coen, Programme Registrar, London Business School, Sussex Place, Regent's Park, London NW1 4SA. Telephone: 01-262 5050.

## BA crew is blamed for crash

By Richard Evans

A British Airways Trident crew was partly blamed yesterday for the world's worst mid-air crash, seven years after it happened.

The allegations were rejected immediately by the Department of Trade's accident investigation branch, British Airways, and the British Airline Pilots' Association.

A Yugoslav official report into the 1976 collision between the Trident and a chartered DC9 over Zagreb, in which 176 people died, claims to annul an earlier investigation which placed all the blame on a Zagreb flight controller, who was jailed for seven years.

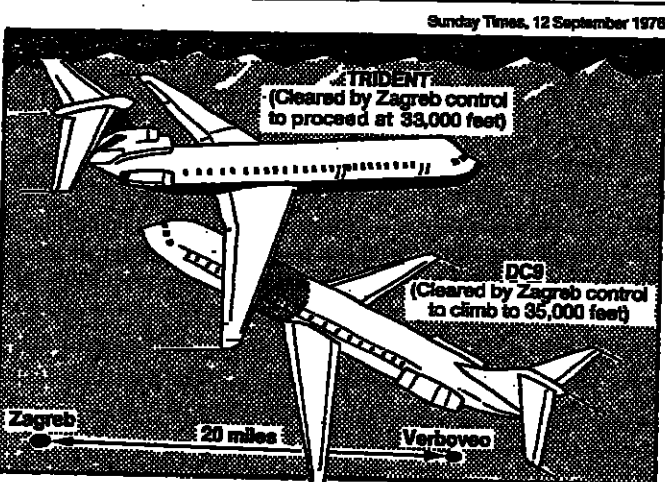
The new report, published in English yesterday eight months after the findings were released in Yugoslav, says the failure of both crews to comply with rules calling for a continuous lookout to be kept and listen to air controllers' radio, combined with improper air-traffic control, caused the accident.

But Mr Kenneth Smart, principal inspector of the Department of Trade's accident investigation branch and the British representative on the Yugoslav inquiry, said that the crash was caused by the failure of ground control to ensure the required distance between the two aircraft.

In an addendum to the Yugoslav document, he says: "The evidence presented does not support the statement that the crew did not comply with the flight operations manual requirement to maintain a lookout and continuously monitor the appropriate ATC frequency."

The Trident and the DC9 were, at the time of collision, under the control of Zagreb ATC who were solely responsible for aircraft separation.

Mr Roy Watts, British Airways' deputy chairman, said yesterday that there was no evidence to justify criticism of the Trident crew. "It is British Airways policy the pilots should look out and listen into the air traffic control frequency. There was no evidence that the crew of the Trident did not do so".



The sale of the medals by Major Congreve's daughter, Gloria, had caused a family disagreement. The major's younger brother, Major Christopher Congreve, aged 80, had tried to persuade her to halt the sale.

He wanted the museum to have the medals free of charge. Ten years ago he had given the museum the generals VC, which he had inherited because his father survived the elder son.

The medals were exceptional not only because of the rarity of two VCs won by father and son, but also because of the number of medals won by Major William Congreve.

He won the VC for "most conspicuous bravery during a period of 14 days preceding his death in action" at the Somme in July, 1916.

## Congreve VC bought by museum

By Our Sale Room Correspondent

The Victoria Cross group of medals awarded to Major William La T. Congreve during the First World War was bought by the Royal Green Jackets Museum at Winchester yesterday for £26,000.

The museum owns the VC won by Major Congreve's father, General Sir Walter Congreve, at the battle of Colenso during the Boer War. There are only three instances of a father and son both being awarded the supreme military honour.

## Cabinet split over missile order

Further evidence of a serious division of opinion within the Cabinet over an anti-air missile for the RAF's new Tornado aircraft emerged yesterday with a failure to reach a decision (our Defence Correspondent writes).

The argument is whether the order, worth £250m to £380m, should be placed for the American HARM missile, which is already in production, or the British Aerospace/Marconi ALARM missile, which is still in the drawing board.

It seems possible that no decision will be reached before next Thursday's Cabinet meeting.

Those who favour HARM, on which Lucas Aerospace are cooperating with Texas Instruments, argue that it will be at least £100m cheaper than its rival and less likely to face delays.

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## Police chief criticizes errors, confusion and incompetence in murder hunt

## Ripper report lists three 'lost links' to mass killer

## A hurt hunter who opened old wounds

An internal report by West Yorkshire police into their handling of the Yorkshire Ripper hunt criticizes mistakes, incompetence, administrative confusion, and lack of persistence and vision.

The report, published yesterday, is by Mr Colin Sampson, former deputy and now chief constable. It details in particular three important opportunities of tracing Peter Sutcliffe that were missed:

- An accurate Photofit by a victim who survived was not compared with similar ones, which would have directed the hunt to looking for a bearded man.
- A report by two detective constables who felt there was something "not quite right" about Sutcliffe after the fifth of nine interviews with him was discounted and not indexed for eight months.
- A report by a friend of Sutcliffe naming him as the possible killer was lost in the force incident room.

From Arthur Osman, Wakefield

Mr Sampson started the inquiry on the day Sutcliffe's trial ended in May, 1981, by which time 13 women had been killed and 7 been battered close to death.

Mr Ronald Darrington, the police authority chairman, said yesterday the publication of the report by Mr Colin Gregory, the former chief constable, in *The Mail on Sunday* removed restraints which Mr Gregory himself had imposed on the report's publication for operational purposes.

Mr Darrington said: "The authority has decided it is now right to publish. He deplored Mr Gregory's decision to tell all for a reputed £50,000 fee."

Mr Sampson says that for more than a year and a half the notorious tape recordings and letters received from a hoaxer claiming to be the killer became the main theme of the hunt. Their acceptance as authentic "totally misled the investigation".

His widening and critical review, Mr Sampson says the turning point should have occurred in December, 1977, after an attack on Miss Marilyn Moore at Leeds. By then Sutcliffe had already killed seven times.

Miss Moore provided a Photofit of her bearded attacker and, his car, Mr Sampson says. "If her Photofit had been



The missed link: Marilyn Moore (left) was attacked in December, 1977. The Photofit description (centre) of her attacker should have led to Peter Sutcliffe (right), but its significance was not appreciated.

compared with those by other survivors, the similarity is so striking that it is beyond belief they would not all have been linked and considerable emphasis given to tracing the bearded man.

"One name that would certainly have emerged was that of Sutcliffe as he had already been seen and his description provided in November, 1977."

"If Sutcliffe had been reinterviewed at any point soon after December, 1977, the officers would have seen his striking resemblance."

"Women are not attacked with hammers with any regularity for no apparent reason. There was a failure during the

investigation to link incidents with the series. The criteria were too narrowly drawn. An open mind should have been kept and the information, particularly the physical description, regularly assessed."

Mr Sampson's report says that the bearded man had turned up again in two other attempted murders. He said: "It is difficult to understand why certain cases were excluded from being possibly connected."

"Little weight had been given to Miss Moore's description. 'Had this been linked with others, the investigation might have been resolved much earlier.'"

The report goes on: "A number of things went wrong during the inquiry, mistakes were made, errors of judgment occurred, administrative standards and professional conduct did not always measure up to that expected, from which lessons for the future should be learned."

Mr Sampson also criticized some detectives' interviewing skills. Examination showed in certain cases a lack of depth.

"It begs the question as to whether detectives always knew what was required of them. Were they briefed properly? There seems to have been a lack of persistence and follow-up in

respect of the interviews with Sutcliffe."

Only two detective constables concerned in the fifth of nine interviews, had carried out a thorough inquiry; theirs, indeed, was the most crucial interview. They followed up information to the point where they were not really satisfied. "Even then the matter was not picked up and pursued. The situation was influenced greatly by the letters and tape but it is difficult to understand any experienced detective, on reading the report, not directing that further attention be given to Sutcliffe."

This interview in July, 1979, took place after Sutcliffe's vehicle was seen in red light areas of Bradford, Leeds and Manchester. The two constables were unaware, however, that Sutcliffe had been interviewed previously, as the reports were then buried in a backlog. Sutcliffe explained his presence in Bradford as travelling between work and home, denied the Manchester sighting and said the Leeds sighting took place when he visited a nightclub. He was unable to account for his movements on crucial dates, saying that when he went out it was always with his wife. She had verified that.

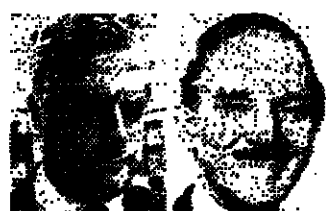
Both officers noted Sutcliffe's similarity to the photofit

By Ronald Faux

If Mr Ronald Gregory, Chief Constable of West Yorkshire, had set out deliberately to anger all concerned in the hunt for the Yorkshire Ripper he could not have done so more comprehensively.

By publishing his memoirs in *The Mail on Sunday* he has been accused of adding little to the sum of knowledge about the case, at the cost of opening old wounds among the beleaguered, outraged former colleagues, deeply irritating members of the West Yorkshire Police Authority, and holding double standards that allowed him to earn a reputed £50,000.

The Independent Broadcasting Authority (IBA) has received complaints about the television advertisement prompting the newspaper articles. The advertisement, by Saatchi and Saatchi, featured a dark, cobble street on which the outline of a body was marked in chalk. Against the sound of the mocking Geordie voice that so misled police during the Ripper



Mr Ronald Gregory (left) and Mr Colin Sampson, his successor

investigation, Mr Gregory emerged, advertising his memoirs.

What Mr Gregory thinks about the furor is not yet known. He has fended off inquiries with "no comment" and an assurance of a statement this weekend. There has been speculation as to why he should cooperate with such a dramatic use of his memoirs.

The feeling is that Mr Gregory, a tough, cool and greatly respected policeman with more than 40 years' service, has been deeply hurt by the aftermath of the Ripper case.

## Poison find prompts fish warning

Reservoir fishermen in the South-west have been warned not to eat any rainbow trout they may catch as traces of poisonous pesticides have been found in fish at a Devon hatchery (Craig Seton writes).

The South West Water Authority said yesterday Aldrin and Dieldrin, whose use is severely restricted, had been found at the North Molton hatchery in rainbow trout fry that are used to stock most of the eight trout reservoirs in Devon and Cornwall.

The authority's medical advisers do not expect that anyone who eats reservoir rainbow trout will suffer ill effects. They say the warning is just a precaution and water supplies are not affected.

## Press executive presumed dead

Mr John Golding, managing editor of the *Daily Mail*, who disappeared from his home in West Norwood, south-east London, on February 28, 1976, when he was aged 48, was officially presumed dead by a divorce judge in London yesterday.

He dissolved the marriage of Mrs Evelyn Golding, a clinical psychologist, aged 55. The couple married in September, 1950, when Mrs Golding was aged 22 and her husband 23.

## Kidnap remand

Mr Anthony Woolf, aged 41, an electrical engineer of France Lynch, near Stroud, Gloucestershire, was remanded in custody by Staines magistrates yesterday accused of possessing at Heathrow airport ammunition with intent to kidnap.

## \$50,000 hold-up

Three men armed with shotguns and a pistol seized \$50,000 from a security van outside Coppetts Wood hospital, Muswell Hill, north London, yesterday. The robbers, who wore balaclava helmets and jump suits, escaped in a van.

## Roach fine

Davina Roach, aged 18, of Clapton, was ordered to do 60 hours' community service and fined £5 yesterday by Highbury magistrates, north London. She was convicted of threatening behaviour and obstructing the highway after a demonstration over the death of her cousin, Colin Roach.

## Study marks down comprehensives

By Lucy Hodges, Education Correspondent

A study published yesterday shows that pupils in grammar and secondary modern schools get 30 to 40 per cent more O level passes than children at comprehensive schools.

The findings met immediate criticism from Miss Jane Steadman, author of the authoritative National Children's Bureau analysis of examination results, which concluded recently that there was no difference between the examination results of selective and non-selective schools. She said that they had not taken into account what pupils were like when they went into the secondary schools and therefore it was not possible to say that the results reflected the type of school.

The new study, of 350,000 pupils in more than 2,000 schools, says that chances of getting good results varied dramatically between schools - often of the same type - and between areas of England and Wales.

The study, carried out by the National Council for Educational Standards, the right-wing pressure group, discovered that the average number of O level passes a pupil is three times greater in some local education authorities than in others. No authorities or schools were named on the

## Board renews attack on A level grades system

A fierce attack on the system for grading A level examination papers is published today by one of Britain's largest examination boards. It says that it is difficult to make proper distinctions between candidates getting grades B, C, or D (our Education Correspondent writes).

The joint Matriculation Board, based in Manchester, says that it spent four years in the late 1960s and early 1970s trying to get the system changed.

The Schools Council had agreed that grades should be awarded according to marks gained rather than according to the proportions of candidates entered and proposed a new scheme. However, Mrs Margaret Thatcher, then Secretary of State for Education and Science, rejected the change on the ground "that she would not be justified in accepting the implementation of a scheme on the lines proposed".

Today's booklet says: "Thus, four years after the JMB first initiated discussions on ways to

remove some of the undesirable features of the advanced level grading scale, some lack of agreement about what should be done carried greater weight than the general agreement, shared by the Secretary of State, that the scale was unsatisfactory."

"The scheme which under such concentrated discussion over a decade ago remains that which the GCE examining boards are still required to operate. It is likely that the weaknesses of the scheme which were exposed to public debate at that time have now been forgotten by many users of advanced level results." The report says that the main weakness of the present scheme is the narrowness of the grade C band. That is caused by guidelines, laid down in 1960, which specify what percentage of candidates entered for the examination can be awarded which grade.

Problems of the GCE Advanced level grading system available from the Secretary, Joint Matriculation Board, Manchester M15 6EU; free with seal.



Mr David Ruffe recovering in Odstock Hospital, Salisbury with his wife, Cynthia.

## Severed arm victim praises workmates

Mr David Ruffe, aged 38, whose left arm was sliced off by a wood plane while he was at work in Farnham, Surrey, said yesterday, 24 hours after having his severed arm sewn on at Odstock Hospital, Salisbury, that he was looking forward to drinking a beer with his left hand.

Mr Ruffe, of Baldery's Farm in Farnham, whose arm and forearm have been screwed together at a right angle, said: "I never thought I would ever have the use of my arm again."

He said he remained conscious after the accident.

Mr Roy Tapping, aged 33,

a farmworker, is being treated for severe pain at Stoke Mandeville Hospital, Buckinghamshire, three days after his left arm was torn off and he carried it for 500 yards to get help. He is recovering and has been visited by his parents from his home in Bledlow, Buckinghamshire.

## Outspoken lifeboat chief resigns

By Craig Seton

Captain Eric Kemp, secretary of the St Ives lifeboat for more than 10 years, has resigned after being accused at the Penlee lifeboat disaster inquiry of taking part in a "tawdry campaign of spite".

Captain Kemp, a Trinity House pilot at Penzance, insisted yesterday that pressure of work had forced him to leave. But he agreed: "Those in the coastguard service are probably doing a dance of delight that they have got me off their back."

He said people would think that he had resigned because of pressure from the Royal National Lifeboat Institution, which worked closely with the coastguard service and had been

embarrassed by his comments before and during the 29-day Penlee inquiry, which ended on April 27. But he denied it, saying: "I have never walked away from a fight in my life."

Captain Kemp, aged 47, strongly criticized the reorganization of the coastguard service and played a leading role in a campaign to have the coastguard station at Land's End restored as a rescue coordinating centre.

He also commented publicly on the role of the coastguard station at Falmouth when it coordinated the ill fated Penlee lifeboat's attempt to rescue a stricken coaster. His criticism was a central theme at the Penlee inquiry. Mr

George Beattie, for the coastguard service, accused him and others of acting like "the witches of Macbeth", throwing dismembered pieces of the coastguard service into a cauldron of controversy.

Captain Kemp said: "I have no regrets, but that accusation hurt and I have asked Mr Beattie to substantiate it. I have got a lot of enemies who would take great pleasure in making an example of me, but nobody should think I have packed it up because of a bit of scrambled egg in the RNLI."

An RNLI official said yesterday: "Captain Kemp was appointed in November, 1972, and we value the splendid service he has given."

## Consultant on baby charge suspended

By John Withersow

The case was initiated by Life the anti-abortion group, which informed the local police. The papers were sent to the director in January. An official in the director's office said that he believed the case was unprecedented.

The charges arose from the birth of Timothy John, son of Jacqueline Cochrane, aged 23, the daughter of Dr Graham Cochrane, of Lodge Farm, Chalfont. The baby remained in a special care unit at the hospital and has since been adopted. Seven weeks after the incident Mr David Thelwell, the hospital's administrator said: "The baby has been discharged. He is very well and gaining weight steadily after his birth."

A DDP spokesman said that this was the first time a doctor has been charged with murder or attempted murder after an abortion since the introduction of the Abortion Act, 1967.

The act says that abortions must not be carried out where the baby could survive apart from the mother. An earlier act defines this as the 28th week of pregnancy. Prosecuting relating to abortions would normally be brought under this act.

## Sheep disease out-breaks amaze and worry vets

By John Young, Agriculture Correspondent

The British Veterinary Association expressed surprise and concern yesterday at the continuing spread of two parasitical diseases in sheep, one of which is thought to account for up to 15 human deaths a year.

The potentially fatal hydatid disease is believed to be confined to central Wales, Cumbria, the Western Isles, Orkney, and Shetland. It is spread by a tapeworm that infects the intestines of dogs and thence sheep feeding on contaminated pasture.

The disease can reinfect dogs scavenging sheep carcasses and be transmitted to humans. Its most virulent symptom consist of large cysts in internal organs, which may require surgery and can cause death.

Mr Jim Allcock, the association's honorary secretary, said yesterday that trials with a worming drug in two valleys in Wales had demonstrated that the disease could be controlled

relatively easily at little cost. But there were difficulties over whether control programmes should be funded by the Ministry of Agriculture or the Department of Health and Social Security.

The association also said that it was "beyond belief" that 66 outbreaks of sheep scab had been confirmed this year, considering that the disease was eradicated in Britain in 1953 and freedom from the disease had been maintained for many years.

It urged farmers to be more vigilant in reporting outbreaks and in ensuring that all sheep were dipped.

Ministers decided yesterday to take legal powers to stop the spread of a pigeon disease which has not been found in Britain before.

A pigeon - adapted strain of paramyxovirus has been found on three premises near Redruth, Cornwall. There is no cure for the disease, which kills about half of the birds it infects.

## Bishop's divorce fears

Traditional church wedding ceremonies could be destroyed as a result of government plans to alter divorce laws, the Bishop of Birmingham, Dr Hugh Montefiore, said yesterday.

He told a diocesan synod in Solihull, West Midlands that vicars could not be expected to act as wedding registrars for the state if the government plans alter the public attitude towards marriage.

The Matrimonial Causes Bill, which proposes radical reforms to allow "quickie" divorce

proceedings after one year of marriage, could mean that marriage was not regarded as a permanent union, Dr Montefiore said.

"It would involve universal civil marriage followed by a church marriage for those who wished it," he said.

The Bill was outlined in the Queen's Speech. At present, divorce petitions cannot be presented within three years of a wedding, unless courts rule that there has been exceptional hardship or depravity.

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## Njonjo quits as MP to await results of inquiry into treason allegations

From Charles Harrison, Nairobi

Mr Charles Njonjo, who was suspended on Wednesday from his post as Kenya's Minister of Constitutional Affairs, yesterday resigned his seat as an MP.

A judicial inquiry, under Mr Justice Miller, a judge of the Kenya High Court, is to investigate the allegations that have centred on Mr Njonjo since President Daniel arap Moi announced early in May that foreign powers were grooming an unnamed Kenyan to become President in his place.

President Moi's dramatic statement led to an unprecedented political furore here, with frequent calls for the "traitor" to be arrested and punished.

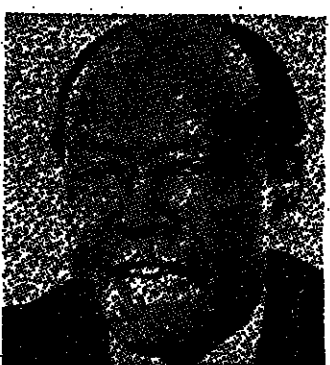
Although the President has named no one, Kenyans have widely assumed that he was referring to Mr Njonjo, who was Attorney-General of Kenya until 1980. He retired in that year from his civil service post and entered Parliament in a by-election for the Kikuyu constituency, near Nairobi.

Shortly before his suspension as minister, Mr Njonjo issued a statement declaring his loyalty to President Moi and insisting that he had never aspired to the office of president or Vice-President.

General elections are to be held in Kenya in September, and the present Parliament will be dissolved soon. For this reason, the Kikuyu seat is likely to remain vacant until the elections.

There is no indication so far of the composition of the judicial inquiry, or its terms of reference. It could clear the air considerably, since ministers and others who have been criticizing Mr Njonjo, usually in general terms, will now be required to substantiate their allegations.

The inquiry is to make its



Mr Njonjo: 'Never aspired to be president.'

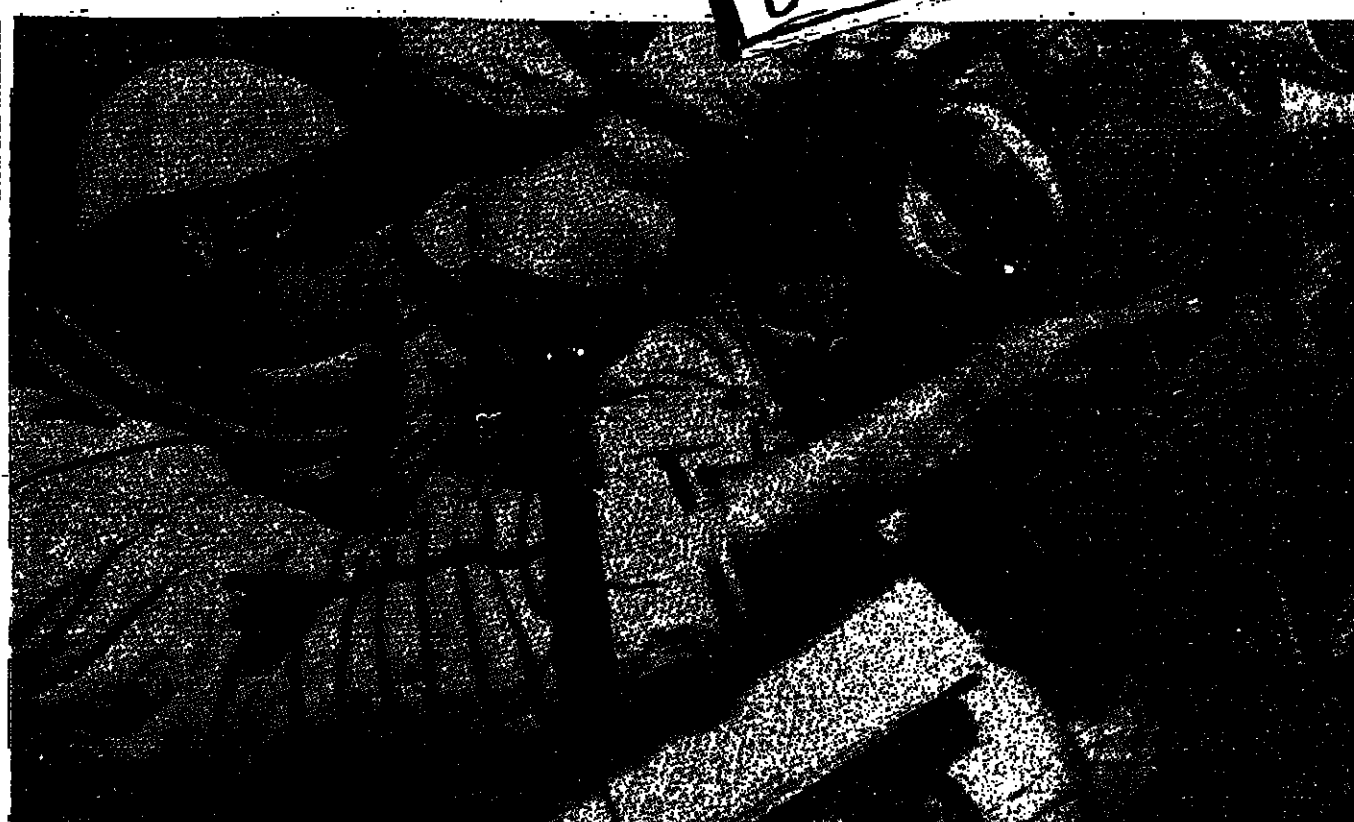
findings known to President Moi, but it is not yet known whether it will complete its work before nomination day for the general election. If he is vindicated by the inquiry, Mr Njonjo will presumably be free to stand for Parliament again.

In a leading article yesterday, *The Kenya Times*, organ of the ruling Kenya African National Union (KANU), suggested that Mr Njonjo might have taken the opportunity to resign "with dignity" when the controversy first erupted.

"The traitor issue has caused the country considerable agony. It has split the members of Parliament into two groups, those who are said to have been bought by Njonjo with money, and those who are reported to have resisted the temptation to be bought."

Mr Njonjo was conspicuously close to President Moi from the time he succeeded the late President Kenyatta in 1978 until last year. But since then he has not been prominent at presidential functions.

Educated at Fort Hare University, South Africa, and Gray's Inn, London, he is married (to a British-born wife) and has three children.



Indian cosmonauts, who are training for a joint Soviet-Indian space flight, at the Gagarin Cosmonauts' Training Centre.

## US to cover Delhi atom spare needs

From Michael Hamlyn, Delhi

One of the principal sources of friction which has been upsetting relations between the United States and India was resolved yesterday to the apparent satisfaction of both sides. After a day-long series of meetings here between Mr George Shultz, the US Secretary of State, and his Indian counterpart, Mr Narasimha Rao, a settlement was announced in the dispute over the supply of spare parts for the nuclear power station at Tarapur outside Bombay.

According to the formula announced by Mr John Hughes, the Assistant Secretary of State, India will seek the spare parts it needs outside the United States. If it fails to find a satisfactory supply, Mr Hughes said, President Reagan has decided that he will take the necessary actions to supply them from America.

Another issue between the two countries was not so happily settled, however. India was anxious to press the Americans over the US objection to Indian drawings from the International Development Agency and the Asian Development Bank, and brought both Mr Francis Mulcahy, the Minister for Finance, and Mr L. K. Jha, one of Mrs Gandhi's economic advisers, to a working lunch.

## Another French A-test in Pacific

From Diana Geddes, Paris

The French Government refused yesterday to comment on reports from New Zealand that France had carried out a further underground nuclear test at Mururoa in the South Pacific.

The 50-kiloton explosion was recorded by seismologists in Wellington at 5.46 am GMT on Wednesday.

It is believed to be France's third test explosion this year and the fifty-fifth since testing began at Mururoa in 1975. The Australian Government threatened last month to make no further shipments of uranium to France while France continued to carry out nuclear tests.

The Foreign Ministry said yesterday that it never announced, confirmed or commented on its nuclear tests in the Pacific.

M Régis Debray, special adviser to President Mitterrand, has just returned from a tour of countries in the South Pacific during which he proposed that each country affected by the tests should send observers to the Mururoa site to see security conditions there. The Australian Government has not yet replied.

The report of a French Government committee of

inquiry into the consequences of nuclear tests and the stability of the Mururoa site is expected to be published at the end of this month. It has already submitted its main conclusions to M Charles Hernu, the Defence Minister.

M Hernu confirmed in an interview with a West German magazine this week that some of the tests concern the so-called neutron bomb. M Hernu said that he had personally been present during one of the neutron bomb tests at Mururoa. That comment was understood to refer to a visit made by him in the autumn of 1981.

## British girl of 11 raped and killed in Texas

Fort Worth (AP) - An 11-year-old British girl who had been in the United States only a month was strangled after being raped, the medical examiners in Tarrant County, Texas, has decided.

Police had few leads in the abduction and killing of Julie Fuller of Arlington, whose nude body was discovered on Tuesday on the bank of the Trinity river here, investigators said.

The girl was the daughter of Colin and Janet Fuller, who moved to the United States from Corringham near Basildon in search of employment.

## Bosses withdraw from fund for jobless

From Our Own Correspondent Paris

The CNPF, France's main employers' federation, has decided to pull out of Unedic, the state unemployment fund which it runs jointly with the unions, as a mark of its exasperation with the Government's decision to increase the employers' levies to the fund.

The tax, social security and unemployment burdens borne by industry are already higher than anywhere else in the Organization for Economic Cooperation and Development (OECD), and employers have long complained that they could not expect to become

competitive with their main foreign trading partners unless that burden were reduced.

The Government decided to increase contributions to the unemployment fund by 1 per cent, 0.6 per cent being borne by employers and 0.4 per cent by workers, to help to reduce the huge 12 billion franc deficit (more than £1 billion) which the fund was expected to face by the end of the year.

The employers say that their share of that increase will mean a rise in industrial costs of 6 billion francs in a full year.

## Tensions in Argentine admitted by Bignone

From Andrew Thompson, Buenos Aires

President Bignone of Argentina has recognized the growing tension in the country, acknowledging that his government faces its "most difficult moment". His statement coincided with renewed court investigations of military officers, signs of a deteriorating economic situation, and growing intensity in the party political battle.

Speaking at a Cabinet meeting, the President said that with four months to go before the elections scheduled for October 30, his administration had entered "the time period of those who are on their way out". It was now impossible for it to generate new political support, and it was too early for a consensus to be formed around an incoming administration (neither of the main parties has nominated its presidential candidate).

The President's statements have been interpreted as a response to coup rumours which have spread through Buenos Aires. The Roman Catholic Church is due to release a document condemning the "coup mentality".

It is widely felt that important sectors of the armed forces are increasingly worried by court cases against their officers, accused of crimes in the "dirty war" against guerrillas in the 1970s, and the prospect of more investigations under a democratic administration.

One of many court cases causing concern is the investigation of the deaths of Osvaldo Cambiaso and Eduardo Pereira Rossi on May 14. A court has questioned the official version that they were killed by police after they opened fire on a patrol car, and has heard evidence that they were tortured and shot.

NEW YORK: Argentina has called for a resumption of negotiations with Britain over the sovereignty of the Falklands, AFP reports.

The Argentine UN representative, Señor Carlos Manuel Muniz, said in a letter to Señor Javier Pérez de Cuéllar, the Secretary-General, that, while seeking talks, Argentina - and all Latin America - would never agree to "British colonialism" being maintained in the islands indefinitely. Señor Muniz said London's preconditions for opening sovereignty talks were unacceptable to Argentina.

## Ousted mayor 'had women fans on payroll'

Harare (AFP) - The Zimbabwe Government has removed Mr Kombayi as Mayor of Gweru because of gross corruption and mismanagement, Parliament has been told.

Mr Enos Chikore, Minister of Local Government and Housing, on Wednesday read a catalogue of 29 instances of Mr Kombayi's maladministration.

They included reports that he billed the city council for large hotel and bar bills, purchased a construction company and awarded it contracts and evicted city tenants so his friends and supporters could move in. Mr Kombayi also put 32 women supporters on the city payroll who were paid a total of 70,000 Zimbabwe dollars (\$45,000) so they could organize rallies and other shows of support for him.

## Released Unita hostages fly to South Africa

Johannesburg (Reuters) - A group of hostages held in Angola for three months by anti-Government guerrillas arrived in Johannesburg yesterday in an aircraft with Red Cross markings.

Earlier the Red Cross in Geneva had said that an aircraft was waiting at Kinshasa, the Zairean capital, where they would be handed over to Czechoslovak representatives.

The hostages were among 66 Czechs and 20 Portuguese captured by the Unita rebel army during a raid on an industrial complex near the Angolan port of Mocimboa.

Officials at the airport had no immediate details of the number of passengers, but Czech officials in Geneva said that 45 Czechoslovaks were airlifted out of Angola. They said there

were 21 children, 17 women and seven men.

Unita said in a statement issued in Lisbon that the men were being released for health reasons. The other men, whose good health had been verified by the International Red Cross, would be held for exchange with Unita leaders jailed in Angola and, if Britain wished, for seven jailed British mercenaries.

LONDON: Britain is unlikely to become involved in an attempt by Unita to do a deal with the Angola Government over the release of prisoners (Henry Stanhope writes).

Foreign Office sources last night indicated that Britain was maintaining close contact at a high level with Angola, whose Government had promised to release the British mercenaries this year when the time was "appropriate".

# Who cares about Britain's future?

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Debenhams  
Glynwed International

House of Fraser  
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Northern Foods  
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\*Results of research conducted for the Think British Council by the Economic Intelligence Unit 1982.

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## Arafat group holds out in Bekaa

## Frightened teenage army awaits attack

From Robert Fisk, Jdita, Lebanon

Mr Yasser Arafat's last outpost in the south-western edge of the Bekaa Valley is held by 40 teenagers, some of whom possess automatic rifles and most of whom are frightened. They are surrounded by Syrian troops and were last night waiting to be attacked by the ever-growing army of Palestinian militiamen who have blasted their way into almost every Palestinian Liberation Organization base across the floor of the Bekaa.

"Do you think there will be a battle tonight?" a boy of perhaps 15 asked as he tried to offer us coffee in that desperate sort of way that people adopt when fear and politeness fill their mind at the same time.

His friends gather round him, young men with uncombed hair whose only serious defence was a badly constructed wall of sandbags.

"We are for Abu Ammar (Yasser Arafat)," another youth announced, "but look," and he pointed across the little lane-way, beyond a copse where Syrian armour had just been dug into the hillside.

There were three Syrian tanks nestling in the soft earth and when we looked very closely, we realized we were staring straight down their gun barrels.

The Arafat guerrillas here long ago found that their telephone and telex lines to the northern Lebanese city of Tripoli had been cut, and they sat round their small compound on wooden chairs yesterday,

holding transistor radios to their ears in an effort to discover their fate.

They know that Mr Arafat himself was addressing a meeting of the PLO's executive committee about 1,500 miles away in Tunis, but in Jdita yesterday evening it seemed a cruel irrelevancy.

Mr Arafat might receive a new and valid mandate as their leader, but it was difficult to see what help this would be to the young men at the foot of the Lebanon mountains who were waiting for the Syrian guns to fire.

Earlier in the day an officer from Abu Nidal's extremist Palestinian group - responsible for the murder of Israeli and Arab diplomats in Europe and the Middle East - emerged from a camp at Majdaloun, not far from Baalbek, to declare his organization's allegiance to Colonel Abu Moussa, the self-declared leader of the PLO militants.

"Arafat is no longer the leader of the PLO," he insisted.

Only a few men from Mr Arafat's loyal Badr Brigade were still holding their tenuous ground further east. Scarcely four miles away the rebels were standing next to at least eight 120mm and 130mm artillery pieces newly captured from Fatah guerrillas.

In the area immediately to the north of the Israeli-Syrian ceasefire line, Mr Arafat's military strength has thus been effectively wiped out.



Arafat's older army: Palestinian guerrillas loyal to the embattled PLO leader outside the Bedaoui refugee camp in northern Lebanon.

## Troops protest before Begin house

From Christopher Walker, Jerusalem

Growing discontent within the Israeli Army about their continued presence in Lebanon is manifesting itself in a dramatic new way, with troops returning or about to be sent across border demonstrating their anger personally outside the Jerusalem residence of Mr Menachem Begin, the Prime Minister.

Yesterday, 10 soldiers from a single unit which had just completed its latest Lebanon tour took part in an anti-war protest in front of the building

on Balfour Street. Standing close to a board which showed the latest total of Israeli dead as 501, they carried a petition signed by 36 other reservists in the same unit and also in favour of a unilateral withdrawal.

The protest came less than a week after the precedent was set when a number of reserve paratroopers just mobilized for Lebanon duty came to the residence to demonstrate their opposition to keeping Israeli troops there.

It has also been disclosed that the wives of 100 army reservists have written to Lieutenant-General Moshe Levy, the Chief of Staff, complaining that their husbands were being sent to Lebanon for the fourth time in a year.

Against this background of discontent, Mr Philip Habib, President Reagan's special envoy, flew to Israel yesterday for the second round of talks here during his latest Middle East shuttle mission.

## Strauss likely to see Honecker on trip to East Germany

From Michael Binyon, Bonn

Herr Franz Josef Strauss, the Prime Minister of Bavaria and a vociferous proponent of a harder line towards East Berlin, is to travel to East Germany and will probably hold talks with Herr Erich Honecker, the East German leader, in Dresden at the end of this month, according to reports here.

News of the visit comes after the disclosure that the West German Government had formally approved an unprecedented large credit guarantee of DM1,000m (£253m) for East Germany, and is a further indicator of the efforts Bonn is making to prevent a deterioration in relations with East Berlin in the wake of the likely deployment here this autumn of new Nato missiles.

Herr Strauss and his wife recently applied for a visa to go through East Germany to Warsaw, where they will pay a private visit to a relation in the West German Embassy there.

The East German leadership, which has frequently attacked Herr Strauss as the symbol of West German revanchism, holding him responsible for the cancellation of the Honecker visit here, let it be known that Herr Honecker would be available for talks. Herr Strauss then decided to stop in East Germany on his return for three or four days.

A spokesman of the Christian Social Union refused to confirm the meeting, saying only that *Die Welt*, which published the

report, knew more about it than Herr Strauss. But in view of Bavaria's important participation in the credit guarantee, Herr Strauss is now thought to be eager to be seen playing a part in the improvement of relations.

Herr Honecker saw Herr Hans-Jochen Vogel leader of the Social Democratic opposition, on a private visit earlier this year, and expressed his wish to take up his postponed visit here. There is speculation he may come in the spring.

Chancellor Kohl will discuss relations between the two Germanies during his talks in Moscow next week and will brief Herr Strauss immediately on his return.

The Government has been pleasantly surprised at Herr Honecker's willingness to meet Herr Strauss.

There are hopes that the East Germans, whom Dr Kohl recently challenged to improve relations, may be ready to lower the minimum currency exchange rate for Western visitors, and allow more East Germans to visit relatives in the West.

● **BERLIN:** East Germany marked the full posthumous rehabilitation of Walter Ulbricht, who built the Berlin Wall, with the announcement of an official biography (Reuters reports). He was toppled from the party leadership by his protégé, Herr Honecker.

## Congress to investigate briefing leak

Washington - A House of Representatives sub-committee has begun a congressional investigation into how President Reagan's election campaign aides obtained President Carter's briefing papers for their crucial nationally televised debate in October 1980.

The sub-committee is under the chairmanship of Mr Donald Albosta (Democrats, Michigan) and deals with human resources and the Government Ethics Act. The Justice Department is also investigating the matter at the request of the White House. Former Vice-President Walter Mondale said he believes Mr Reagan knows who took the material from the Carter staff. "This President had a duty to tell us... it's a dirty business and they know it."

## Charges over Irish arrests

Paris, (Reuters) - Major José Windels, a French anti-terrorist gendarme officer, has been charged with passing witness statements to give false evidence in a case over the arrest last August of three Irish nationalists.

Mr Michael Plunkett, Mr Stephen King and Miss Mary Reid were held for nine months without trial, accused of possessing arms and explosives. They were released last month.

## Oilman faces fraud charge

Mexico City (NYT) - In a dramatic step-up of its campaign against official corruption, Mexico has charged Señor Jorge Díaz Serrano, the former head of Petroleos Mexicanos (Pemex) and architect of the country's oil boom with defrauding the state oil monopoly of \$34m (about £22m).

Señor Díaz Serrano, once considered a possible president, is a federal senator. The attorney general's office announced that it would request the lifting of his congressional immunity.

## Spying buoy

Providence, Rhode Island - A buoy bearing the markings "USSR, Academy of Science" pulled in by a fisherman earlier this year has been identified as a Soviet spying device aimed at submarines, the *Providence Journal* said.

## Rubbish delivery

Santa Cruz de Tenerife (AP) - To protest against ocean dumping of radioactive waste by Britain, ecologists dumped several hundred rubbish bags outside the British consulate here. But removed them later.

## Heart check

Brasília (Reuters) - President Joao Figueiredo of Brazil is to go to the United States for heart checks. The president, who is 65, had a heart attack two years ago.

## Jesuit freed

Vienna (AP) - Father Frantisek Lizna, a Jesuit member of the Charter 77 human rights group, has been released from prison after serving a 27-month term for "anti-state activity". He had been sentenced after meeting West German clerics.

## Hero drowns

Monroe, Louisiana (AP) - Joe Delaney, a star running back of the Kansas City Chiefs football team, drowned after jumping into a pond to rescue three boys aged 11. One boy drowned and another was in a critical condition.

## Dog addicts

Manila (Reuters) - Dogs trained to sniff out heroin at airports in the Philippines rapidly become addicted. After a year, they lose their effectiveness and eventually have to be put down to spare them further suffering.

## Peep-show protest in Hamburg

From Our Own Correspondent Bonn

Ogling was on the house in Hamburg on Wednesday as 300 naked peep-show girls writhed and cavorted for free on their turntable stages in protest at the city's decision to bring down the viewing hatches for good at the end of the year.

Their four-hour display in the seven sex establishments in Hamburg's famous Reeperbahn district was intended to draw attention to their plight since a local ruling that commercial voyeurism is "contrary to morals", degrades women to sexual objects and violates their dignity.

The girls, who earn around 150 Deutsche marks (£33) a day; however, are more concerned about their pocket than their honour. They took to the streets in order not to have to take to the streets for a living. Accompanied by some male admirers of their performances, they marched through the centre of Hamburg last week with megaphones and banners saying "We want to go on peeping" ("peepen" in German).

Hamburg, long famous for its permissive attitude to commercialised sex, is the latest of a number of cities that have harkened to the protests of women's movements and banned slot-machine voyeurism. Peep-shows have already been closed down in Frankfurt, and fierce debates are going on in city councils across the country on whether they should retract concessions made in the steamy seventies.

The precedent was set recently by the federal administration court in West Berlin, which ruled that peep-shows in which men in individual cabins inserted money to open hatches on to the stage where a naked woman performed - were different from striptease shows. The first encouraged an "atmosphere of a mechanized and automated business", where a view of a naked woman could be bought like goods in a slot-machine, whereas a stripper was performing in front of an audience she could see. Ironically, Munich, the capital of Roman Catholic conservative Bavaria, has just decided that peep-shows are not "contrary to morals" and can continue to function.

## Foreign Office guarded on Hongkong report

By Henry Stanhope, Diplomatic Correspondent

A report that Britain has acknowledged China's right to sovereignty over Hongkong "did not accurately reflect the British position", the Foreign Office said last night.

But officials refused to comment further on the report in the latest issue of the authoritative *Far East Economic Review*, which was published yesterday.

Indirect acknowledgment of China's claim to sovereignty after the British lease on Hongkong's New Territories expires in 14 years' time was contained in a letter sent by Mrs

Margaret Thatcher to Mr Deng Xiaoping, the Chinese leader, according to the weekly magazine.

China has always wanted Britain to concede the sovereignty issue before moving on in the joint talks to discuss how best to achieve Peking's two other objectives: the continuing stability and prosperity of the colony. But informed Whitehall sources last night were still insisting that sovereignty, stability and prosperity were indivisible and could not be dealt with separately.

## Kim to see President

Seoul (AFP, Reuters) - The South Korean opposition leader, Mr Kim Young Sam, yesterday declared he was prepared to meet President Chun Doo Hwan to discuss his demand for greater democracy. As he left hospital after a hunger strike he told press that an emissary of the President came to see him a month ago on the thirtieth day of his hunger strike to inform him that the

President was willing to meet him to discuss his political demands.

Mr Kim told the press he would continue a struggle to win his political demands. These included the immediate release from prison and rehabilitation of all political prisoners, including dissident students, as well as the lifting of a political ban still imposed on some 300 politicians.

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501 من الاموال



**From Ian Murray, Strasbourg**

The motion called for a solution of the many problems facing the Community by December, and stressed that the British budget rebate "should be

Dr Helmut Kohl, the West German Chancellor, underlined the point that it was "inconceivable" for there to be any increase in the size of the budget.



The Chancellor's speech was, however, a deeply emotional one. Europe could not go on being regarded as a bank

Parliament, he warned, would only decide on the British rebate once all the other problems had been sorted out. That won more all-round applause than almost any other speech made in the debate.

the poorest country in the EEC is following the richest in the chair the contrast between the two economies has been highlighted and will produce the theme for the next six crucial months of the Community.

In agriculture, Greece will be pressing for a transfer of resources from the "horn and corn" farmers of the north to

Like the first one, this marathon is due to end in Athens - at the December summit. Whether on this occasion a victory can be proclaimed seems at the moment to be very much in the lap of the gods.

**Tomorrow: Greek pride**  
Panandreon portrait, page 14.

**From Alan McGregor, Geneva**

While the ministry did not identify the man, he was believed to be Mr Vladislav Istomine, who has been in Geneva since 1977.

The consul was expelled with tries.

**From Richard Wigg  
Madrid**

Señor González enunciated the policy of his Government as neither for nor against Nato, with the party left to work out the Socialists' attitude for the referendum campaign.

**From Mario Modiano**  
**Athens**

The *Eleftherotypia* report said the head was well preserved and the features remained distinct. The head was bald and the bullet-wound in the back was visible.

By Harry Golombek, Chess Correspondent

The Soviet Union failed to crush their opponents in this round and finished up all square with Yugoslavia 3½-3½, with one game adjourned. The Netherlands had a surprise win over Hungary by 5-3 and Bulgaria beat Denmark by 4½-2½ with one adjourned.

## "Best picture of all time"



## Children's needs not paramount in ouster applications

Richards v Richards

Before Lord Hailsham of St Marylebone, Lord Chancellor, Lord Diplock, Lord Scarman, Lord Bridge of Harwich and Lord Brandon of Oakbrook  
[Speeches delivered June 30]

A majority of the House of Lords held that the power of the High Court and county courts to order a spouse to vacate the matrimonial home was derived from section 1 of the Matrimonial Homes Act 1976 and was to be exercised only in accordance with the criteria laid down in section 1(3); the needs of any relevant children were one consideration but not the paramount one. Guidance was given on the practice and procedure to be followed on an application for an ouster order.

Their Lordships on the facts of the case unanimously allowed an appeal by the husband, Mr Gordon William Richards, of Walsingham, Dorset, from a decision of the Court of Appeal (Lord Justice Cumming-Bruce and Lord Justice Dillon) (*The Times* December 8, 1982; [1983] 2 WLR 633) who dismissed an appeal by the wife, Mrs Christine Richards, sitting as a deputy High Court judge at Weymouth, who, on the application of the wife, Mrs Christine Richards, ordered the husband to leave the matrimonial home.

Section 1 of the 1976 Act, as amended by section 3 of the Domestic Violence and Matrimonial Proceedings Act 1976, provides: "(1) Where one spouse is entitled to occupy a dwelling house... and the other spouse is not so entitled, then... the spouse not so entitled shall have the following rights (in this Act referred to as 'rights of occupation'): (a) if in occupation, a right to be evicted or excluded from the dwelling house or any part thereof by the other spouse except with the leave of the court... (b) if not in occupation, a right... to enter into and occupy the dwelling house."

"(2) So long as one spouse has right of occupation, either of the spouses may apply to the court for an order declaring, enforcing, restricting or terminating those rights or prohibiting, suspending or restricting the exercise by either spouse of the right to occupy the dwelling house."

"(3) On an application for an order under this section the court may make such order as it thinks just and reasonable having regard to the conduct of the parties in relation to each other and otherwise, to their respective needs and financial resources, to the needs of any children and to all the circumstances of the case..."

"(4) The jurisdiction conferred on the court by this section shall be exercisable by the High Court or by a county court..."

Mr Joseph Jackson, QC, and Mr Simon Levene for the husband; Mr Patrick Back, QC, and Mr Timothy Coulmes for the wife.

The LORD CHANCELLOR said that the matrimonial home was a council house and the parties, married in 1974, had two children born in 1977 and 1979. The elder was of school and old enough to

know and to say that she did not wish her parents to be separated. The wife left the husband on a number of occasions and there were other men involved, but the husband always forgave her and did not refer to those infidelities. In January 1982, while the parties were still cohabiting, the husband was surprised to receive a divorce petition signed by the wife. It alleged that the husband had behaved in such a way that the wife could not reasonably be expected to live with him.

The husband denied the allegations and opposed the petition, which was still to be heard. The allegations struck the judge as "ridiculous" and the wife's own conduct, as alleged in the Court of Appeal, was "flimsy in the extreme". Despite the petition the parties continued under the same roof for some months. The wife moved into a separate bedroom and went out to a good deal of the evening.

In June 1982 the wife left, taking the children with her, and went to live in a house eight miles away in Swanton in conditions which were admittedly overcrowded. The wife took the children to stay with the father from time to time.

The court welfare officer reported that in view of the children's need of their father, the children's proven ability to cooperate, and concern for the children's security, the court might feel that joint custody was desirable and workable. No order for custody had in fact been made and the husband did not seek care and control.

In October 1982 the wife issued a summons, initiated in the pending suit, seeking, *inter alia*, an order that the husband quit the matrimonial home and not return there. At the hearing the judge found that the wife had no reasonable ground for refusing to return to live in the same house as the husband, but that her existing accommodation was overcrowded and not a fit home for the children. He added that her assertion that she could not bear to be with her husband was simply not true.

He said: "I think it is thoroughly unjust to turn out this father, but justice no longer seems to play any part in this branch of the law." Faced with conflicting decisions of the Court of Appeal in *Samson v Samson* ([1982] 1 WLR 252) and *Myers v Myers* ([1982] 1 WLR 247) he followed *Samson* and concluded that he would have to grant the order sought in the interests of the children. However, he did not order that the husband should not return.

The Court of Appeal dismissed the husband's appeal, but what was happening was that the wife occupied the house from Monday to Friday and the husband from Friday to Monday. The children were permanently in the house and were looked after by the parent in occupation. The husband had no difficulty in looking after them.

It was perfectly clear from the facts, the judge's findings and the subsequent events that the wife had never made out a case for excluding the husband from the house. Although their Lordships were unanimous that the appeal should be allowed, there was a difference of opinion as to the ground. His Lordship agreed both with Lord

Brandon on the proposition of law stated by him, and with Lord Scarman that the appeal succeeded, independently of that point of principle, from which Lord Scarman dissented.

LORD BRANDON said that the Court of Appeal recognized that there was a conflict of authority in which ouster orders should be granted. According to *Myers* and *Elsworth v Elsworth* ([1980] 1 FLR 245), an order should be refused unless the wife had reasonable grounds for refusing to live in the same house as the husband. According to *Samson*, where there were children whose welfare demanded that they be looked after by the wife, the welfare of the children was the primary consideration.

It was with growing astonishment, as the citation of the authorities had proceeded in argument, that their Lordships had found that for the most part they contained no reference whatever either to the statutory powers which enabled courts to make ouster orders at all, or to the statutory principles which governed the exercise of such powers. It therefore fell to the House to do what the courts below had signally failed to do, and to examine the statutory framework.

Before 1967 the only power of the High Court to make an ouster order was the general power to grant injunctions in section 43(1) of the Supreme Court of Judicature (Consolidation) Act 1925 (now section 37(1) of the Supreme Court Act 1981). It had been held that under the section the court could only grant injunctions to protect legal or equitable rights.

Until radical social changes in recent decades, the whole estate in a matrimonial home, both legal and equitable, was normally vested in the husband. However, a wife not disqualified by a matrimonial offence had common-law right to be provided with a home to live in by her husband, and the High Court had made ouster orders to protect that right. See *Silverstone v Silverstone* ([1953] P 174).

However Parliament did not regard that limited right of protection as adequate, and the 1967 Act was passed as a result. Experience of its working had revealed various weaknesses which were remedied by section 38 of the Matrimonial Proceedings and Property Act 1970, sections 3 and 4 of the 1976 Act and section 1(1) of the Matrimonial Homes and Property Act 1981.

It was the intention of Parliament in passing and later amending the 1967 Act that the power of the High Court to make, during the subsistence of a marriage, orders relating to the occupation of a matrimonial home, including in particular ouster orders, which had previously been derived from the 1925 Act, should thereafter be derived from and exercised in accordance with the 1967 Act.

The county court ouster order power, previously derived from the provisions of section 74 of the County Courts Act 1959, was also after 1967 to be derived from and exercised in accordance with the 1967 Act. Although county

courts had an additional power to make ouster orders by section 1 of the 1976 Act that power was also to be exercised on the principles in the 1967 Act.

The wife's application was therefore in substance one for an order under section 1(1) of the 1967 Act, and the court was required to have regard to the four matters specified in subsection (3), in making such order as it thought just and reasonable.

It was important to appreciate that none of those matters was made of more weight than any others, let alone paramount over them. The weight to be given to any particular one depended on the facts of each case.

It followed that the decision in *Samson*, that it was not relevant to consider whether the applicant wife had reasonable grounds for refusing to return to the matrimonial home while the husband was still there, was in direct conflict with section 1(3). The conduct of a wife who had no such reasonable grounds, but nevertheless asserted that she would not return was clearly "conduct of the spouses in relation to each other and otherwise".

The approach in *Samson* was very near to treating the needs of any relevant children as a paramount matter overriding all others. That approach would be justified in a case to which section 1 of the Guardianship of Minors Act 1971 applied, including in particular a case in which the custody or upbringing of a child was in question.

However that section (re-enacting in like terms section 1 of the Guardianship of Minors Act 1925), only applied where the custody or upbringing of a child was directly in question. It did not apply where such matters only arose incidentally in relation to other matters which were directly in question.

Since both the judge and the Court of Appeal failed, in exercising their discretionary powers under section 1 of the 1967 Act, to have regard to the reasonableness or otherwise of the wife's conduct as section 1(3) required them to do the orders of both courts would have to be set aside.

An expedited hearing of the suit was clearly required, and it might well be sensible not to disturb the arrangement worked out between the parties in the meantime. However the husband should not be compelled against his wishes to accept a continuation of that arrangement.

The practice had grown up, when applying for an ouster order during the pendency of a suit, to issue a summons in that suit. It had also become the practice to ask in such summons for an order requiring the husband to vacate the matrimonial home and not to return to it. Those practices might be convenient, but the first was in conflict with the relevant rules of court, and the second with the terms of the 1967 Act as amended.

It followed from rules 107(1) and 104 of the Matrimonial Causes Rules (SI 1977 No 344(15)) that the only correct way of initiating an application for an order under section 1 of the 1967 Act, whether there was a suit pending or not, was by the issue of an originating summons in form 23 in Appendix I

to the Rules with the heading "In the matter of an application by... under section 1 of the Matrimonial Homes Act 1967."

The situation in the county court was similar to that in the High Court: see rules 4 and 2 of Order 47 of the County Court Rules 1981. The form of order asked for should so far as reasonably practicable follow the wording of section 1 as amended. In the case of an ouster order, it was an order (1) declaring the applicant's rights of occupation of the matrimonial home and (2) prohibiting the respondent from exercising any right to occupy such home from a specified date and time and until further order.

If the application was successful, the order made by the court should so far as reasonably practicable be in the like form.

LORD SCARMAN said that the specific question for decision was whether the court had as a matter of law to treat the interests of the children as a first and paramount consideration.

Section 1 of the Guardianship of Minors Act 1971 provided: "Where in any proceedings before any court... (a) the legal custody or upbringing of a child is in question, the court, in deciding that question, shall regard the welfare of the minor as the first and paramount consideration..."

Two points on the section were settled in *J v C* ([1970] AC 688): the first was the universality of its principle of paramountcy; the second, that it was a principle not of exclusion, but of priority.

As a matter of strict literal construction, the section imposed the principle only where legal

custody (or the property of the child) was in issue and had to be decided. But unless it could be shown to have been excluded by express enactment or necessary implication, it should guide the exercise of a court's discretion in every case in which the court was required to consider the welfare and upbringing of minor children. To hold otherwise would be contrary to the will of Parliament.

This Lordship considered the 1967 Act and the divorce court's inherent power to protect parties and their children by the grant of interlocutory injunctive relief, and said that the Act did not substitute for the court's inherent power, but conferred an additional right.

It was not necessary to construe section 1(3) as excluding the principle of paramountcy. All the matters in section 1(3) had to be considered, but the Guardianship Act, while excluding some of them, established a priority. The courts below were wrong in adopting that principle of priority as a guide.

However, it was demonstrable on the evidence that the ouster order was not needed in the interests of the children. The judge, in holding otherwise, was clearly wrong. On his provisional findings of fact, the Court of Appeal fell into the same error, and the appeal should therefore be allowed.

It followed from his Lordship's view on the question of principle that he did not think the changes proposed by Lord Brandon as to future practice and procedure were either necessary or convenient. Indeed they would obstruct the will of Parliament.

Solicitors: Sharpe, Pritchard & Co for Edmund Buck & Co, Solicitors for the husband; Jones & Howie, Warrington.

## Jury should not have seen irrelevant notes

Regina v Martin (John)

Contemporaneous notes of an interview in which a defendant had largely remained silent or answered "no" to questions asked of him, and of which only four questions and answers were relevant to questions which the jury had to decide, ought not to have been admitted in evidence and put before the jury as an exhibit.

LORD JUSTICE PURCHAS, sitting in the Court of Appeal (Criminal Division) on June 24 with Mr Justice Drake, so held, allowing an appeal by John Andrew Martin against his conviction at Swindon Crown Court (Mr Recorder Williams QC, and a jury) on June 4, 1982, of handling stolen goods, contrary to section 22 of the Theft Act 1968.

HIS LORDSHIP said that most of the interview was inadmissible in evidence as failure by a defendant to answer questions put to him or the giving of the answer "no" was of no probative value.

There would be occasions where the trial judge in his discretion should allow the whole record of an interview which contained inadmissible answers to go before the jury, but in this case only four of the questions and answers in the whole interview were so admissible, and

the prejudicial effect of the whole record going before the jury far outweighed any probative value of the admissible answers.

The trial judge had therefore wrongly exercised his discretion in allowing the contemporaneous notes of the interview to be adduced in evidence as an exhibit. The prosecution would not have been prejudiced by its exclusion as they could have led the relevant questions and answers in examination without referring to the inadmissible parts of the interview.

Regina v Harrington London Borough, Ex parte Barra and Another

The architectural standard of a proposed development could not be dealt with by judicial review unless it could be said that it was of so striking a character that anyone looking at it would say that no one in their right senses could have permitted that in that place, Lord Justice O'Connor, sitting with Justices Eveleigh and Sir David Cairns in the Court of Appeal held on June 29. The court was not a court of appeal from a local planning committee.

## Promissory note gain taxable as income

Ditchfield (Inspector of Taxes) v Sharp and Others  
Before Lord Justice Walker, Lord Justice Fox and Lord Justice May  
[Judgment delivered June 23]

On the maturity of a promissory note purchased by trustees, the excess of the amount received by them over the amount that they had paid for it three years earlier was an amount that was chargeable to income tax and not capital gains tax.

That amount was a "discount" within the meaning of section 109(2)(b) of the Income and Corporation Taxes Act 1970 and an annual profit or gain within the meaning of the charging section, section 108(1) of that Act, and accordingly fell to be taxed under Case III of Schedule D as being the income of the trustees.

The Court of Appeal so held in reserved judgments dismissing an appeal by Mr David Buckley Sharp and other trustees of the Orwell Share Settlement from a decision of Mr Justice Walton in November 1981 who allowed an appeal by the Crown from a determination of the special commissioners and had made an assessment to income tax made on the trustees for 1972-73 in an amount of £460,065.

In February 1970 the trustees of the Orwell Share Settlement purchased from merchant bankers a promissory note for £1.7m. There was a sum of £2.4m, became payable to the trustees on February 1, 1973 by an English company, Berger Jensen & Nicholson Ltd. That the trustees received some £460,000 in excess of the consideration that they had given for the promissory note.

An appeal by them against the assessment to income tax in respect of that excess was allowed by the special commissioners. They discharged the assessment and confirmed an alternative assessment in respect of the payment that had been made on the trustees for the same year to capital gains tax.

Mr Justice Walton upheld the Crown's appeal, restored the assessment to income tax and discharged the assessment to capital gains tax. The trustees appealed.

Mr C. N. Beattie, QC for the trustees; Mr James Holroyd Pearson, QC and Viscount Dilhorne for the Crown.

LORD JUSTICE FOX said that section 108(1) provided that tax under Schedule D was to be charged on the annual profits or gains accruing to any person residing in the United Kingdom from any kind of property whatsoever. By section 109(2)(b) tax under Schedule D was to be charged under Case III in respect of "all discounts".

Accordingly two questions fell to be determined: first, was the £460,065 a profit arising from a discount received on a discounting transaction? Second, if it was such a profit, was it an annual profit or gain within section 108(1) and to be a profit of an income and not of a capital nature.

In *Shannon v National Provident Institution* ([1921] 2 AC 223) Lord Atkinson cited with approval the definitions of "discount" in *Murray's English Dictionary* (1897). That stated, *inter alia*, "a deduction (usually at a certain rate per cent) made for payment before it is due or for prompt payment of a bill. The deduction made from the amount of a bill of exchange or promissory note by one who gives value for it before it is due."

The transaction that gave rise to the receipt of the £460,065 was the purchase of the note by the trustees in February 1970. That was a "discount" transaction within the stated definition. The trustees acquired the note before maturity at an amount less than its face value: that was a plain case of a discount in a commercial sense.

Was, then, the profit on the discount an annual profit or gain? In *Brown v National Provident Institution*, the profit on treasury bills (substantially in the form of promissory notes), whether arising where they were held until maturity or sold prior to maturity, was held to be taxable as profits on discounts. In that case it had been contended by the taxpayer that the profit was a capital profit. The House of Lords rejected that.

That case had some similarities with the present but clearly in determining whether a receipt was of an income or a capital nature every case had to be decided on its own facts.

The only proper conclusion from the facts of the case by the trustees was of an income nature. Following the decision of the Court of Appeal in *Loman v Peter Dixon & Son Ltd* ([1943] 1 KB 677), the issue was on the trustees to show that the assessment was wrong. But they had called no evidence to demonstrate the basis on which the discounting transaction had been entered into.

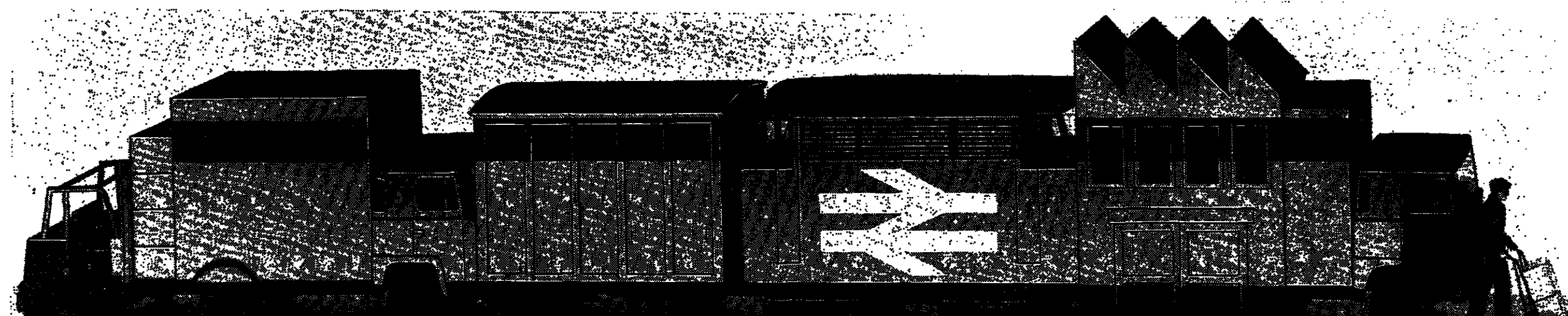
However, it was known that no interest was payable in the *Dixon* case: it was said that where no interest was payable as such the transaction would normally, if not always, be a discount chargeable to income tax.

There was no reason to doubt the correctness of that opinion. The holder of the discount had, one assumed, to be getting a return for his money. It was up to him to demonstrate the capital quality of the discount if he asserted its existence. The profit made by these trustees represented a return of about 11½ per cent on a simple interest basis.

In the circumstance and on the limited findings of facts, the commissioners' conclusion that the profit was of a capital nature was unfounded. It was plainly a discount, no interest was payable as such and there was nothing to indicate that the receipt was other than of an income nature.

Lord Justice May delivered a concurring judgment and Lord Justice Walker agreed.

Solicitors: Stephenson Harwood; Solicitor of Inland Revenue.



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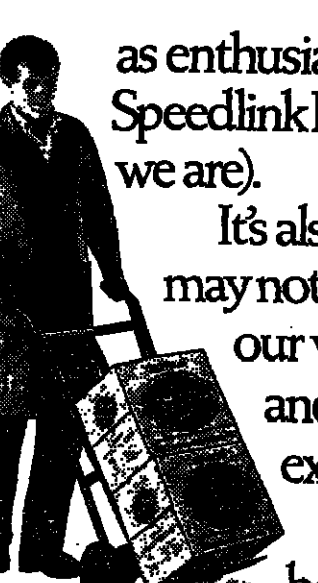
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# The changing face of Arabia

In the decade since the explosion in oil prices, construction projects in the Arab world have transformed its cities. This report looks at the prospects for further development at a time of declining oil revenues.

In barely a decade the Arab world has undergone an impressive physical transformation. Skyscraper cities have been set down where once mud settlements stood. Metal roads have been thrown through the empty sands and across remote mountains. Water piped from the sea and desalinated in huge, modern plants has been used to turn the desert green.

Moreover, the process is not complete. Despite alarmist talk in the West of an Arab return to austerity of a "building bonanza gone bust" huge changes are still being wrought, albeit at a less frenetic pace than in the 1970s.

The Middle East then resembled, in the words of one British contractor, "one giant construction site". For a time the amount of work being carried out was limited only by the speed at which men and materials could be mobilized. Money was no problem.

The Organization of Petroleum Exporting Countries (Opec) was the magic carpet upon which the revenues and aspirations of the Arab world suddenly soared. During the 1970s oil prices rose by 1,200 per cent. The income of the Arab producers climbed from \$4,500m in 1970 to \$73,000m in 1978 and \$204,000m in 1980. Receipts for the decade, according to Yusuf A. Sayigh, a leading Arab economist, totalled almost \$500,000m.

This flood of petrodollars fuelled an unprecedented spending spree in the Middle East, both by big oil producers such as Saudi Arabia, Iraq, the United Arab Emirates and Qatar, and those poorer neighbours, the Yemens, Jordan and elsewhere, who had to rely on aid.

According to the International Monetary Fund, construction spending accounted for more than 10 per cent of gross domestic product throughout the 1970s, but when spending in related sectors - manufacturing and mining, health and education, electricity, water, transport and communications - is included, the proportion is much higher. In Saudi Arabia, for example, investment was growing at a minimum of 30 per cent a year between 1973 and 1978.

There was much spending, especially in the traditionally poorer countries (usually the so-called "high absorbers" with big populations), on upgrading housing and education and health facilities. Equally, huge sums were used to create the basic infrastructure - roads, ports and communications - needed to support a modern,

and ultimately non-oil based, economy.

There was much conspicuous consumption as well: prestige building of hotels, office blocks, trade centres, sports arenas and the like.

In retrospect, many Arabs now accept that too often activity was indiscriminating, with the result that had as well as good architecture is seen throughout the Gulf, and many parts of the Middle East are over-provided with facilities. There is over-capacity in the cement industry, for example, in Kuwait and the Emirates; too much aluminium-making plant generally, and Dubai's \$483m drydock is still awaiting its first customer four years after completion.

Faruk al-Mosayyid, a prominent Bahraini businessman, said recently: "We had an extravagance all over the Gulf. Much of it was wasteful." According to Mr Sayigh, "abundance of resources... led to an excessive and dangerous permissiveness in contracting projects".

The frenetic pace of development could not last. Neither did it, for two main reasons. First, the flow of fresh contracts was

## The turnaround in fortunes was a considerable shock

drying up as the initial momentum of infrastructural investment was lost. Second, the glut of oil on world markets brought a sudden plunge in Arab revenues, as both production and prices fell.

By 1980 Opec - dominated by the Arab producers - was running a surplus of \$109,000m. Two years later the estimated deficit was \$18,000m. Kuwait had seen revenues slashed by more than half to \$9,000m in 1982; Libya's oil income fell from \$22,600m to \$10,000m. Elsewhere, similar cuts were recorded. For the first time in several years the oil-rich countries were not earning enough to pay for their ambitious, long-term development programmes.

The turn-around in fortunes came as a considerable shock. But its significance should not be exaggerated. Although Libya has spoken of leading its people back to the desert if necessary, most of the Arab nations have sufficient reserves to withstand a decline in revenues. Saudi Arabia alone is estimated to have a cash mountain of \$150,000m. Kuwait's foreign assets are believed to be worth \$50,000m.

In some Arab states (such as Saudi Arabia) to turn back spending programmes now would be to risk some loss of face and political discontent among people grown accustomed to having their raised standard-of-living expectations met. But in the long term the brake applied by falling revenues may well be seen to have had a beneficial effect.

For the most part, then, the Arab world is faced with equanimity and commendable prudence. Contractors report a general deceleration in the placing of contracts (and remitting of payments, in some cases) as governments review spending plans and cut budgets.

According to the annual survey of contracts carried out by *Middle East Economic Digest*, the value of work placed in 1982 fell by almost 40 per cent from the 1981 high of \$74,000m. Only Algeria, Kuwait, Oman and Saudi Arabia were picked out of the general gloom as "isolated pockets of sustained expansion".

However, the Arab market remains immense, even in contraction.

Opportunities vary considerably. Saudi Arabia, despite cutting its budgeted spending in 1983-84 by about 17 per cent and running an overall deficit, placed new contracts worth about \$24,000m last year. Its development programme remains mind-boggling in virtually every sector from health care (35 hospitals - more than Britain has built this century - are planned) to industry (the two new industrial centres of Yanbu and Jubail will have a population of about half a million).

Several of the Gulf states are retreating back on expenditure; Libya has cut its 1983 development budget by about 10 per cent and several projects such as a new rail network, pipeline and fertilizer plant have been at least postponed; Iraq, after re-emerging as the third largest market in the area, is again feeling the pinch as it seeks to cope both with falling revenues and the budget demands of its war with Iran. But Oman, a late starter in the development stakes, remains buoyant, as do the smaller markets of Qatar and the Emirates.

Farther afield, analysts see

construction growth in Algeria, the Lebanon - where re-building is a priority - and, perhaps in the longer term, Egypt, where political stability should create an international climate in which aid is forthcoming to tackle the long back-log of priority jobs, such as replacing the country's aged sewerage system.

The work will be hard won by the international construction industry as competition intensifies and tenders become keener. But if recent history proves a reliable guide, Britain should win its fair share, especially in the Gulf states, where political links were severed only as recently as 1971.

Consulting engineers, well established in the area, have done particularly well, and are now probably associated with projects worth a total of more than \$30,000m, according to the Association of Consulting Engineers (ACE). In half a dozen sectors - drainage and sewerage; harbours and docks; railways; roads, bridges and tunnels; water supply; and construction, commerce and industry - they are involved in capital work worth more than £1,000m. Keith Jones, chairman of ACE,

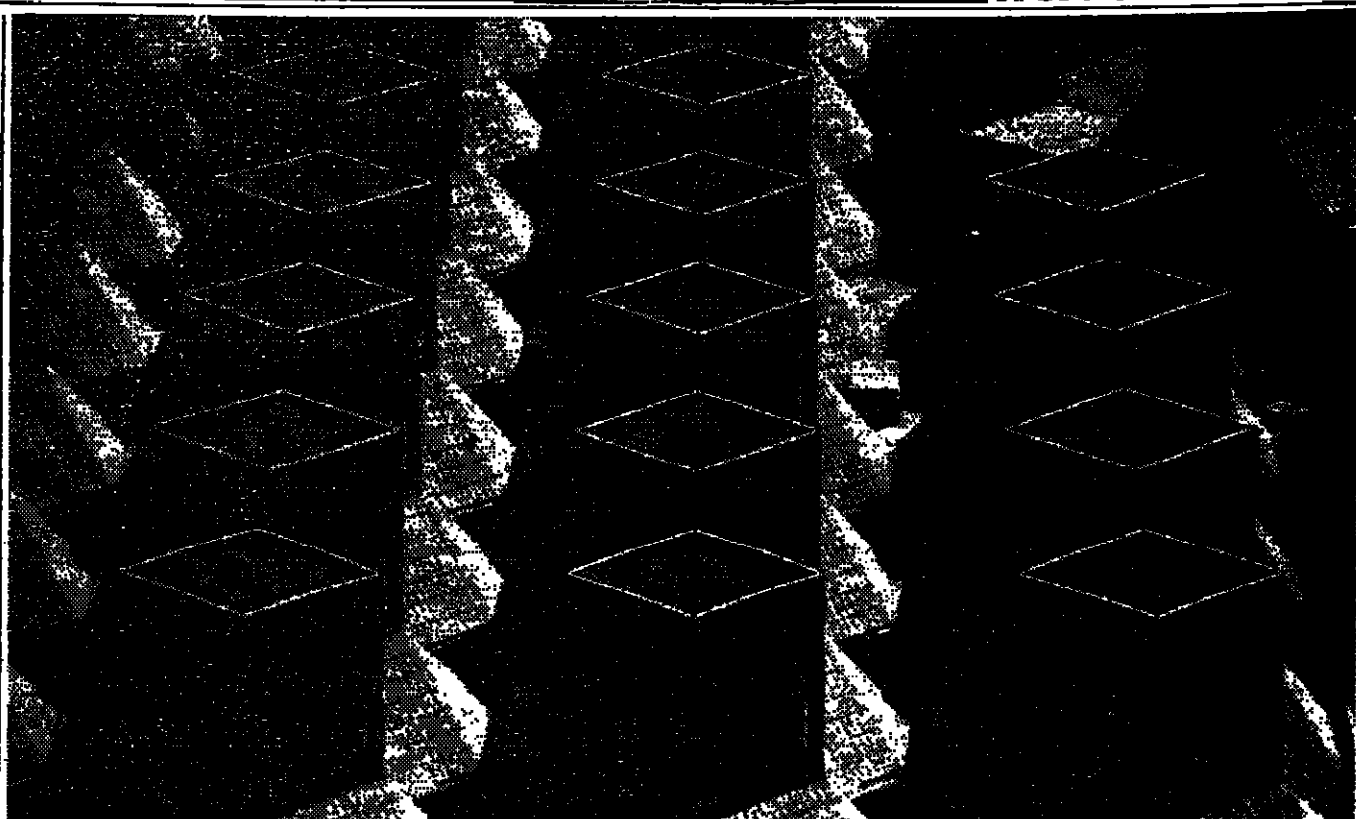
## Contractors have suffered in the general decline

calculates that 40 per cent of members' work is in the Middle East.

Contractors, too, have prospered, although in recent years they have suffered in the general decline. *British Business* magazine estimates that the value of contracts won in the Middle East (Asia and Africa) was £632m in 1981-82 (against £862m in 1977-78), while the value of work outstanding was £637m (against £1,014m). However, in Saudi Arabia, Oman, Bahrain and Jordan, the value of work won actually increased.

Whatever the future course of oil prices, few observers now expect construction spending to return to the levels attained in the 1970s. Even fewer would doubt that it will, however, remain high by any but Arab standards of the 1970s.

John Huxley



Wind tower structures at the University of Doha, Qatar. These combine a traditional Arab architectural form with contemporary technology to provide cool air and reduced humidity inside the buildings. University of Doha: client, The Office of the Amir of Qatar; architect, Kamal El Kafrawi; consulting engineers, Ove Arup & Partners.

## Foreign consultants lack direction

### ARCHITECTURE

Three years ago, it might have been safe to predict a flowering of an Islamic modern architecture. Several events had indicated the trend: the initiation of an Aga Khan award for architecture; the rejection of a competition-winning design by APT of London because it was insufficiently "Islamic"; the instruction to architects

Montgomery, Oldfield Kirby to "Islamicize" their winning entry for Abu Dhabi's Assembly Hall; and the detailed interest in Michael Jevell's design for their new suk (resulting in a scheme which has as much in common with British precedents of medieval flushwork, and Crystal Palace canopies, as it has with the Middle East). All this, combined with overtly poetic forms used at Dubai Airport (Page and Broughton), Riyadh Airport, and the famous Kuwait water towers, seemed to support a move towards a modern form of what is now called "regionalism".

That perception could well have been just the wishful-thinking of people whose view of much new building in the Middle East is unfavourable. Those not active in making money out of it have noted the absolute lack of architectural context for new development, resulting in a townscape sometimes looking like a mini-Manhattan, and more often, a suburb of Marseilles. The main buildings one hears about are

airports, mosques, administrative, police and parliamentary quarters. We hear little about the majority of buildings that make up the character of these localities.

The lack of context is a consequence of an ambivalent attitude in the Middle Eastern attitude toward modern architecture, with a consequent lack of direction to foreign consultants. Part of the problem is that we have been building substantial, permanent settlements for nations used to a nomadic life. Part of the problem is that, for most Middle East countries, the pattern of development to which they have aspired was that of America and Western Europe, at a time when we had begun to realize how arid many of our own modern environments had become. A sad photograph of Dubai in 1951 shows a beautifully serene picture of a substantial mercantile, riverside community of small houses, windtowers, minarets and a castle. Shades of Marco Polo and Sinbad the sailor! If such a place now existed unspoiled in the West, it would be instantly preserved as an historical monument.

However, the image of the traditional Orient is exactly that which many countries abhor. They regard European preoccupation with old buildings with

distrust, as though we were trying to prevent progress reaching them. In Dubai the future of the historic Bastakiya area is under threat, the last regime in Iran managed to perpetrate some devastating modernisms on Isfahan; and in Saudi Arabia, photographing some of their older quarters is forbidden.

The ambivalence however, continues in that historic monuments are being repaired, castles and traders' fortresses, for instance, are being or have been restored in Oman, Saudi Arabia, Abu Dhabi, Qatar and Dubai.

Since the growth of oil wealth, Middle Eastern countries have been able to buy the best from all over the world. At first they were not quite sure what constituted the best, with the result that Kuwait, at least, is virtually rebuilding itself for the second time within barely 30 years.

When the "best" architects arrive, there is no fixed culture for them to use as a reference - bearing in mind their clients' ambivalence towards their older structures. Consequently, instructions to "Islamicize" a modern building are really no more than instructions to invent forms and details which are essentially decorative and not too cubist.

The result is that, with the

possible exception of the Sharjah Suk, none of the better buildings in the Middle East are those with applied style. Instead they are those whose character is simply the response of modern architects to the particular requirements of the climate: that is to say, deep set windows and entrances, projecting balconies and canopies - all to control heat and light - very often built in the local material, concrete. One irony of the hole affair is that the Middle Eastern climate, lends itself to the aesthetic of modern architecture created by Le Corbusier: brilliant sun and strong visual contrast. No damp-stained concrete out there.

In some instances, the response to the demands of that part of the world has invoked a certain style: ACP's hospital in Baghdad is organized around a deep set courtyard which should provide shade; Yakely Associates' proposed village at Wasia in Saudi Arabia seems specifically Arabian in its layout of contiguous courtyard houses - but once again that was determined not for style, but for traditional utility and shade; Valnos' petroleum building in Oman, deep-set between projecting retaining walls, all in brilliant white, has that aesthetic for the same reason.

Generally speaking, however, it is the unashamedly modern building that seems likely to predominate. In Dubai, the

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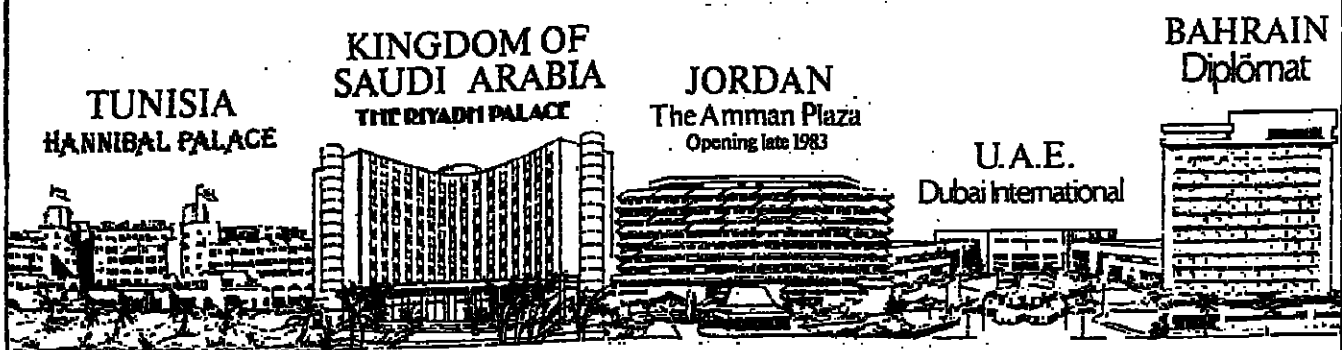
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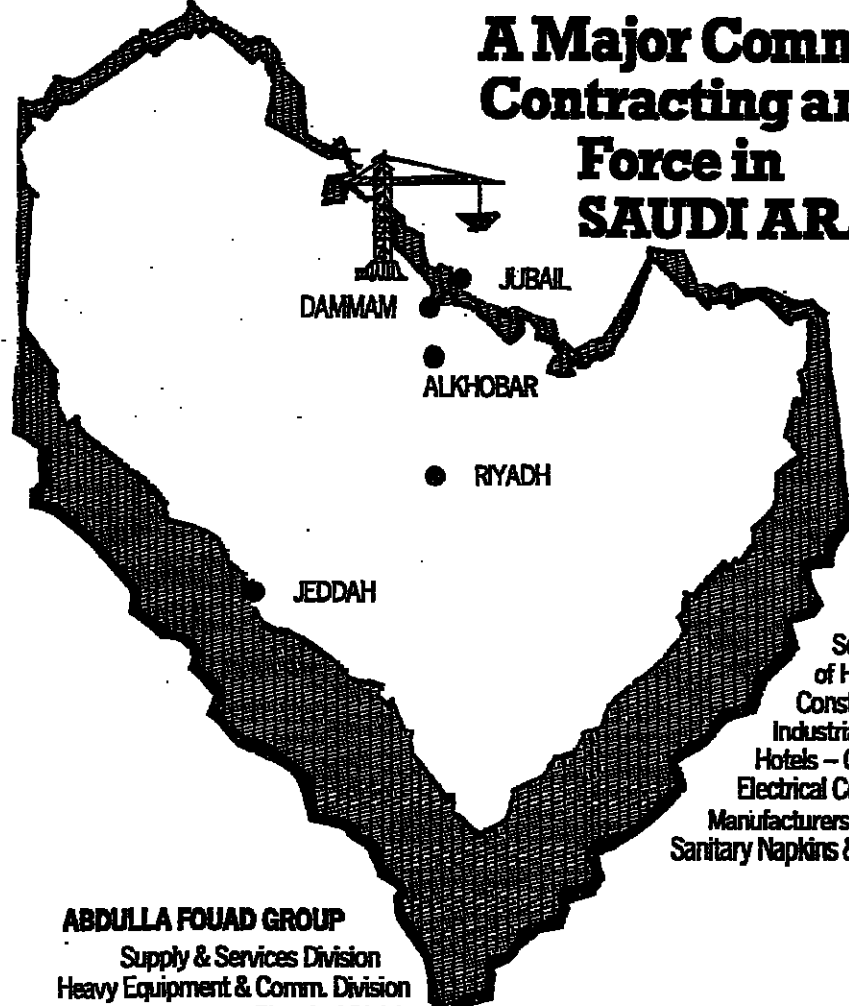
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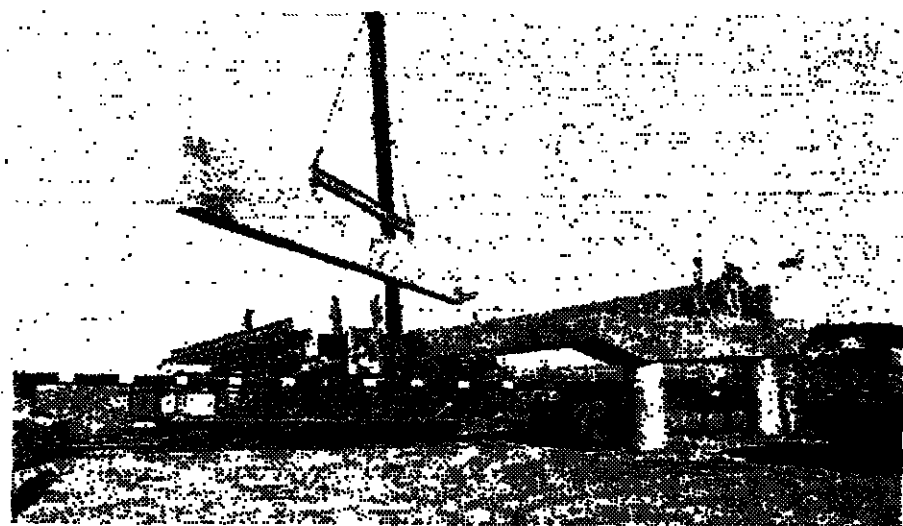
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تلكس دبي ٤٦٩٠٦  
كابل: دوتكو بولينغ

بولينغ (عمان) المحدودة  
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## ARAB CONSTRUCTION

## The right partner for the job

## JOINT VENTURES

In 1980, when Saudi Arabia's commitment to the development of local industry began to be felt, the number of contracts awarded to Saudi firms for the Jubail industrial city complex alone represented 65 per cent of the total. For the same project, 23 per cent of contracts went to joint ventures between Saudi and foreign firms, and only 12 per cent went to foreign firms operating alone.

Today, certainly in Saudi Arabia and to some extent in other developing Arab states, foreign companies find it increasingly difficult to retain their positions in the markets unless they are prepared to establish joint ventures.

Saudi tenders are allowed a 10 per cent margin over those of foreign competitors. Large contracts are frequently broken down into smaller units to enable Saudi contractors to bid. And, wherever possible, foreign contractors have to award sub-contracts to local firms.

In Saudi Arabia downstream and secondary industries are intended as the preserve of private Saudi companies, operating either as 100 per cent Saudi-owned or in joint venture with a foreign partner. But the private sector in the kingdom is, by tradition, a trading community which expects returns on investment. The choice of Saudi partners may therefore be difficult for a

manufacturer with long pay-back periods.

Contractors are now being asked to comply with new dictates, whether they are local or foreign companies or joint venture partnerships. To be eligible to seek future government work they must obtain official classification certificates issued by the Agency for the Classification of Contractors, based in the Ministry of Public Works in Riyadh.

Saudi firms are heavily preferred for government projects. The policy of splitting a project into smaller contract parcels has already had a marked effect on new road construction, in which Saudi contractors have gained a near monopoly. There is no discrimination against joint venture partnerships, providing there is a bona fide Saudi financial management and labour content.

Independent foreign contractors are still needed, but they are feeling the tightening noose of "Saudi-ization" and in future will come under increasing pressure to establish full joint venture arrangements, rather than simply operating through a local agent.

Such firms are required not only to ensure higher standards

of work and productivity, to accept tighter profit margins and be more conscientious in adapting designs to suit local conditions. They must also agree to subcontract some of the work to Saudi companies, train Saudi nationals, purchase materials locally or abroad through a Saudi importer, and consider ways of transferring technology.

Although a large number of Saudi companies have been formed, few have made any real impact on the construction scene. Notable exceptions include Binladin, Beta Construction and the Riyadh-based Saudi-Oger. The last is now one of the kingdom's most successful contractors. Its turnover last year was \$1,170m (about £753m).

Other interesting companies include MABCO Prefabricated Building Company, also based in Riyadh. A specialist in precast concrete, it has a joint venture with Pilkington to produce glass-reinforced concrete.

In Kuwait, foreign firms have for some years faced strong competition from the local construction industry. Even the hitherto successful South Koreans find the competition from such companies as Al-Hani and International Con-

tractors Group almost unbearable. Local companies in Kuwait dominate the market. They are owned by merchant families who are not only intensely competitive, but know the market well and have mastered the emirate's irritating bureaucratic procedures.

More and more Kuwaiti companies are seeking joint venture partners, generally to enable them to undertake difficult and complex jobs.

In the United Arab Emirates local companies are beginning to gain international reputations and are looking to other parts of the Gulf and to the Far East for work.

Foreign companies, including the once dominant South Koreans, are being squeezed out or at best face extremely stiff local competition. In Bahrain, leading local contractors are already winning the bigger jobs.

Professional experience in engineering and architecture, for example, long established in countries such as Egypt, Syria, Jordan and Lebanon, is building up in Saudi Arabia, Kuwait and other Gulf states. Participation in the development programmes of the Middle East will therefore increasingly involve some form of collaboration with local consultants.

Anthony Davis

Editor, Middle East Construction

## Foreign workers are still needed

## LABOUR

In 1975, 1,649,000 migrant workers were reported to be under contract in the capital-rich states of the Middle East. By 1985 it is expected that this figure will rise to about 3,000,000.

In spite of the general slowing in growth rates, such countries as Saudi Arabia, the Gulf Emirates and Libya will continue to require foreign labour, initially for further construction projects but in the longer term for services, maintenance and the operation of growing indigenous industrial capacity.

During the boom period of the 1970s, particularly in the construction sector, most of the migrant workforce consisted of Arabs from capital-poor states such as the Yemen, Arab Republic and Egypt and, of course, from the Palestinian diaspora. They and some others accounted for more than 70 per cent. Those from the Far East were a mere trickle, less than 1 per cent. Today the situation has changed completely. The migrant Arab labour force has made way for a big influx of Far Easterners, largely from India, Pakistan, Philippines and South Korea. Far Eastern labour is cheaper and has been brought in by contractors from the region who have won contract after contract since the second half of the 1970s.

Another interesting aspect of labour in the Arab world is that many of the more highly skilled Arabs have been encouraged to stay at home. The sudden flow of remittances from migrant workers and generous aid payments from the oil-rich states have fostered construction activity in countries such as Egypt, Jordan and North Yemen. If the present trend towards the employment of Far Eastern labour continues, predictions are that by 1985 the number will certainly equal, if not overtake the Arab migrant population working in the

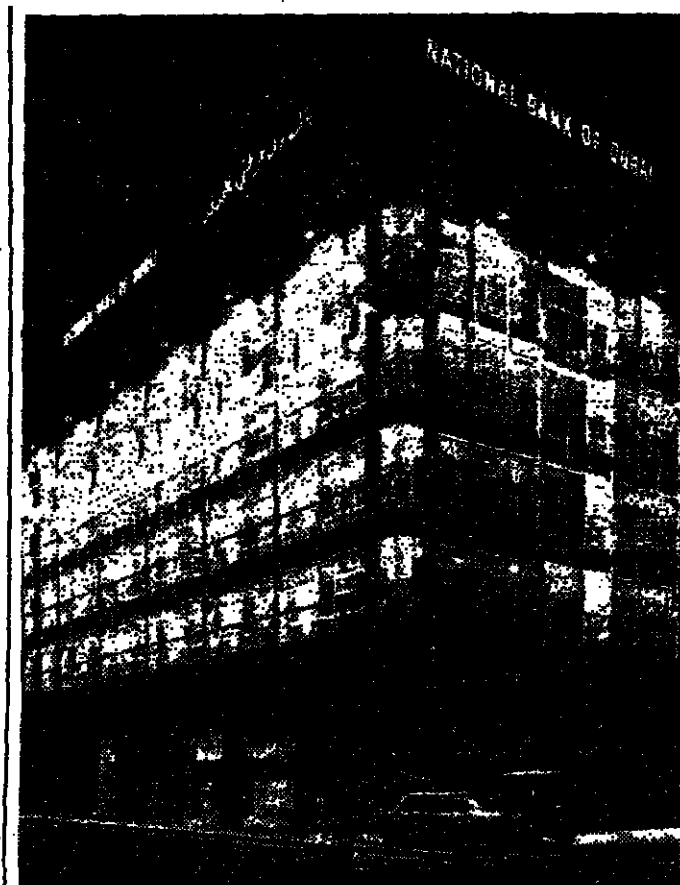
capital-rich states of Saudi Arabia and the Gulf.

Yet another significant factor is the changing requirement for labour. In Saudi Arabia the economy is now becoming more sophisticated and the country's needs more demanding. Labour requirements strongly emphasize highly trained, technical, skilled and professional qualification and experience. These criteria apply to domestic as well as imported manpower.

There have been numerous predictions of the likely rate of increase and optimum size of the expatriate manpower needs of the Middle East. Forecasting is a hazardous occupation, particularly for a region as volatile and unpredictable as Arabia. The World Bank's figure is four million by 1985. The facts do not support this idea, except perhaps for Saudi Arabia and Libya, where indigenous populations are small and development potential still enormous.

In many other countries precise requirements continue to change and the rate of increase to decline. In Kuwait, for example, much of the infrastructure is complete and industrialization plans are unambitious. More significant is the strict enforcement of immigration and residence laws, a policy being followed with varying degrees of severity by governments in the rest of the Gulf. This is a symptom of a nervousness which has increased since the Iranian Revolution.

While curtailing any substantial increase in migrant manpower, the tighter regulations are unlikely to imperil the continued existence of labour markets in the Gulf. At every level the shortage of nationals in the labour force will continue.



The National Bank of Dubai: architects, John R. Harris

Other problems are arising. In the United Arab Emirates, for example, new labour and visa laws are worrying local contractors. Key points of concern are the requirement that anyone changing his employer must leave the country for six months before taking a new job, and a regulation that each employer importing labour must deposit with the Government a sum equal to the air fare from the Emirates to the country of origin. The sum is returned only after the worker has returned home.

The new laws are strongly opposed by local businessmen and will cause severe shortage of unskilled labour since few local contractors, and still fewer foreign companies, can afford to maintain large pools of such workers on the payroll during

periods when no work is available. This factor, and an indication that the much delayed 1983 federal budget is likely to see a cut of up to 60 per cent, suggest that manpower requirements there will at best remain unchanged.

Apart from the Far East and the Arab region itself, Turkey is perhaps the only other country with a big manpower stake in the capital-rich countries of the Middle East.

The extraordinary growth of Turkish activity in the region is underlined by estimates of the number of Turkish workers sent there. Between 1961 and 1967 the total was a mere 434. By September 1982 it had risen to 175,920, of which more than 100,000 were in Libya.

AD

## Consultants lacking in direction

From previous page

diamond-shaped cutaway Sheraton hotel, with its red-painted atrium by Rader Miletto, is still the most exciting building. In Kuwait, we must wait to see the finished result of the Parliament House by Jora Utzon (he of the Sydney Opera House). It does not look anything like as flamboyant as Sydney, nor, however, does it yet look particularly Islamic.

Other international heavyweights working in the Middle East include Skidmore Owings Merrill and Kisho Kurokawa,

both of whom are unlikely to opt for minarets. The new dolphinarium and zoo for Kuwait by the John S. Bonnington Partnership are straightforward, if enormous and complicated, space-frame structures - the island dolphinarium makes use of glazed pyramids. The Kuwait Stock Exchange shares the same basic architectural idea as the Municipality Building in Dubai, namely of producing a box structure several storeys tall, covered in the centre by a space-frame, but in the lower storeys of which a

completely different form of building can be evolved.

It is said that the volume of international expertise being used in the Middle East has peaked. If that is so, a time may come when client and architect should pause to reassess exactly what they wish to achieve there. Is there any demand to reflect an indigenous culture, and to produce identifiable places with their own character? Or is the demand to produce more pieces of nowhere: places without any inherent identity, quality or character?

If character is wanted, there is no doubt that international architects would be able to supply it - but a context has to be given. That context will probably not be the odd parliament building or zoo, but what the Americans call "downtown". The question therefore for the next few years is whether downtown in Kuwait, Dubai, Sharjah, Riyadh, Baghdad and Abu Dhabi should all look and feel alike: or whether the inherent character could be rediscovered and nurtured.

Charles McKean

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## ARAB CONSTRUCTION

## Oil glut delays new projects and payments

## SAUDI ARABIA

Sharply reduced oil revenues are having a dramatic effect on Saudi Arabia's construction sector. Signs of a building slump in the world's largest oil exporter have taken longer to emerge than in most other Gulf oil states, but it has rapidly become clear in 1983 that contractors working in the kingdom face tougher challenges in the months ahead.

In recent years construction has been the most significant economic activity outside oil, accounting for about 20 per cent of gross domestic product. In 1981, the market was worth about \$30,000m (£32,600m), a size which attracted companies worldwide as well as nurturing the growing number of Saudi contractors.

The 15 per cent drop in the 1982/83 state budget to a total \$91,000m signified for many the beginning of the boom. Advance payments on public projects were halved in 1982 to 10 per cent of the contract value, further tightening market conditions. The pattern has continued with the announcement that total state spending in the 1983/84 budget will be limited to about \$75,000m.

The symptoms of the slow-down have begun to appear with increasing frequency in the past six months: payments on many contracts are being held up and several projects are being delayed or scaled down and rebid. This trend seems unlikely to be reversed until the world oil glut ends and the kingdom's oil output recovers to former levels.

Oil production has plummeted from nearly 10 million barrels a day in 1981 to a present level of about four million. Analysts predict oil receipts of about \$45,000m in 1983, compared with more than \$116,000m two years ago.

In addition to slashing expenditure, the Government has introduced in 1983 new regulations destined to have a substantial impact on the market. The most important of these is the requirement that foreign contractors winning state contracts must subcontract at least 30 per cent of the work to 100 per cent locally-owned

companies. The decree adds that foreign companies should make more use of Saudi banking, insurance and transport services.

The measure was introduced soon after a conference of Saudi businessmen in March, at which delegates complained of unfair competition from foreign companies. It seems designed to assure local businessmen that although many infrastructure projects have been completed and spending curtailed, what work there is will be directed increasingly to Saudi firms.

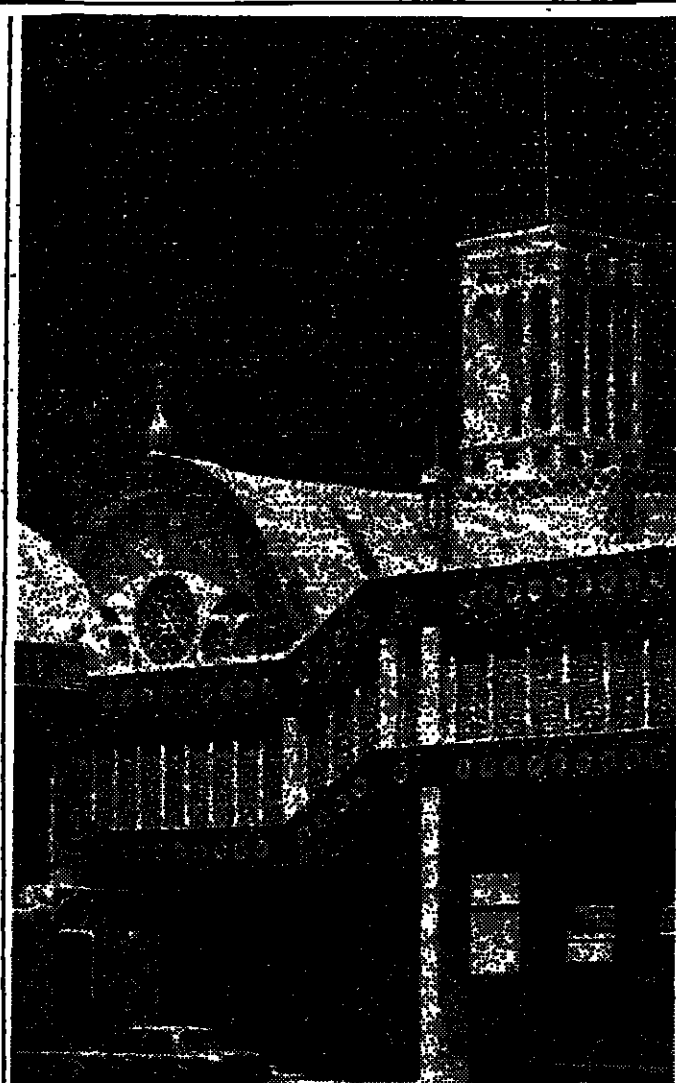
Foreign contractors are anxiously seeking clarification of the ruling. For example, it is still not clear if the 30 per cent rule applies to Saudi-foreign joint ventures winning government contracts. A recent West German ministerial delegation to the kingdom described the regulation as protectionist and said it could harm bilateral trade.

Another recent regulation is that all government contracts should be put out to open, competitive bidding. Again, the introduction of this ruling seems mainly due to pressure from Saudi companies, which had previously been unable to bid for many state contracts because of restrictive prequalification procedures.

Although this measure is unlikely to alter the final choice of contractor in most cases, it has already contributed to the slow-down in contract awards. Tenders for several major contracts which were on the point of being signed have been cancelled and a rebid called. In some cases, these delays have given clients the opportunity to trim costs by revising specifications and scaling down the scope of work.

Projects affected by the public tender ruling include schemes for the expansion of 10 domestic airports to enable them to handle wide-bodied jets. Contractors had been chosen for several airports, but now all will be retendered.

Similarly, a \$1,000m water pipeline from Jubail, via Riyadh, to Qassim, north west of the capital, has been put out to tender. A French-Italian-Saudi consortium was lowest



The Suk at Sharjah: architects, Michael Lyell Associates

bidder for the Jubail-Riyadh section of the line in the first round of bidding and Hill Construction Company, the local affiliate of South Korea's Hyundai Engineering & Construction Company, was lowest bidder for the Riyadh-Qassim line.

A particular blow to British interests was the decision to tender publicly the management consultancy contract for the Ministry of Defence and Aviation's (MODA's) 550-bed hospital in Riyadh and 55-bed hospital at Al-Kharj, south of the capital. The hospitals have been run for the past five and a half years by the British Allied Medical Group (AMG) which had negotiated a new contract with MODA worth \$87m over three years, starting in November. That deal has now been cancelled and AMG will have to compete for the work against about 20 companies.

A major project which has been scaled down and is due to be put out to tender soon is the Asir power and desalination programme. Contracts were on

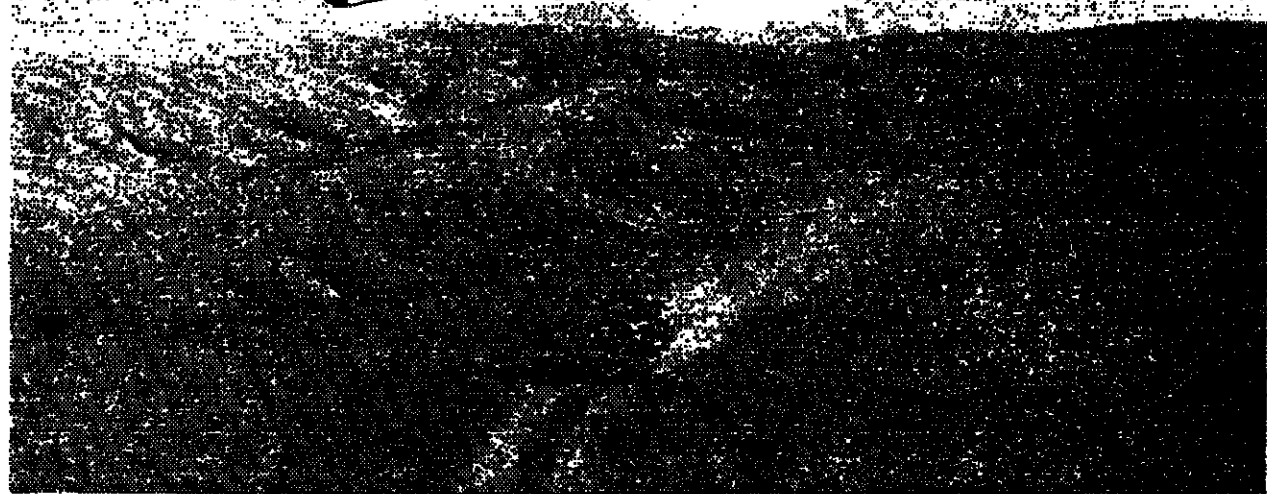
the point of being signed with a Japanese consortium for the power station and a Japanese-South Korean joint venture for the desalination plant, when tenders were cancelled because the client, the Saline Water Conversion Corporation, was instructed to lower considerably the total cost of the project to about \$910m.

Companies seeking to work successfully in the kingdom have little choice but to adjust their operations to the changing market conditions brought about by the new regulations and spending cutbacks. At a recent conference on Saudi Arabia organized by Monadnock International and MEED Consultants, Jim McGee, an American lawyer, told delegates: "For the next 18 months to three years your Saudi business plan should be entitled Saudi survival plan."

Mr McGee said: "Saudi should now be looked at as though it is a new market."

Michael Ritchie  
Middle East Economic Digest

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## Outlook remains grim

Delegations of international contractors now visiting Iraq are more likely to be discussing their clients' requests for payment deferrals than new orders. At the beginning of 1983, a number of contractors were informed that there was no longer enough cash to meet foreign currency payments and were requested to offer credit payment terms.

Iraq has been unable to meet the heavy financial burden imposed both by the war with Iran and by its economic development programme, and despite its reputation for meeting payments on time, at the start of this year some companies were still awaiting foreign currency payments due in October 1982.

Many of these companies were working on contracts awarded during 1981, when Iraq's determination to continue development despite the war resulted in orders worth some \$23,000m (£15,000m). In October 1981, Kier International, a member of Britain's French Kier Holdings, was awarded a \$210m contract to build a section of expressway in Baghdad in a joint venture with Mussad al-Saleh & Sons, a Kuwaiti contractors.

## IRAQ

In February this year, the joint venture was advised that the client was unable to meet future foreign currency payments and was advised to find funding for the client. "A request from a government client to a contractor to arrange the funding of a project after contract award is unique in my experience," Mr J C S Mott, French Kier's chairman, said in his annual statement. As a result, Kier announced an extraordinary pre-tax provision of \$12.7m in its 1982 group accounts.

Attempts by the Export Credits Guarantee Department (ECGD) to reach agreement with Iraq on rescheduling commercial debts amounting to about \$230m have so far proved unsuccessful. Two other British firms are involved in orders of \$100m upwards - John Laing International, which has a \$145m road and bridge building contract in Baghdad, and Paterson Candy International, which is working on a \$126m subcontract for the Karth water supply scheme, also in the capital.

Export credit insurance

agencies from other countries have also been embroiled in Iraq's cash-flow problems. Hermes of West Germany, has agreed to extend credit provided certain conditions are met, primarily that Iraq must meet all outstanding foreign and local currency payments due in 1982, as well as all local currency payments due in 1983.

German companies were particularly attracted by the contracting opportunities on offer in 1981, a period when there were increasingly few openings in their own market.

Details of oil shipments as part repayment of outstanding debts are now being discussed by the French Government. France is expected to lift about four million tonnes of Iraqi crude this year to help meet arrears on both military and civil contracts; total foreign currency payments falling due in 1983 in the latter sector are estimated at about \$1,223m.

The immediate future for contractors looks grim as Iraq's current account deficit seems likely to continue for the next two years and there are few signs of the war ending.

Jonathan Crusoe  
Middle East Economic Digest

## Food schemes need dams

## LIBYA

as roads and farm produce - has been rising considerably.

To satisfy this rising demand, Libya has introduced since 1973 a series of comprehensive development programmes, the last of which is the second five year plan (1981-85), totalling LD 18,500m. It is the fourth biggest in Arab countries and aims to diversify sources of production and exports, thus reducing the economy's dependence on oil; to establish heavy industry, both within and outside the oil sector and to achieve greater self-sufficiency in food.

One interesting feature of the plan is the importance given to agriculture. With about a fifth of its total development spending going to this sector, Libya is the only Arab oil exporter which attaches top priority to farming and agri-business.

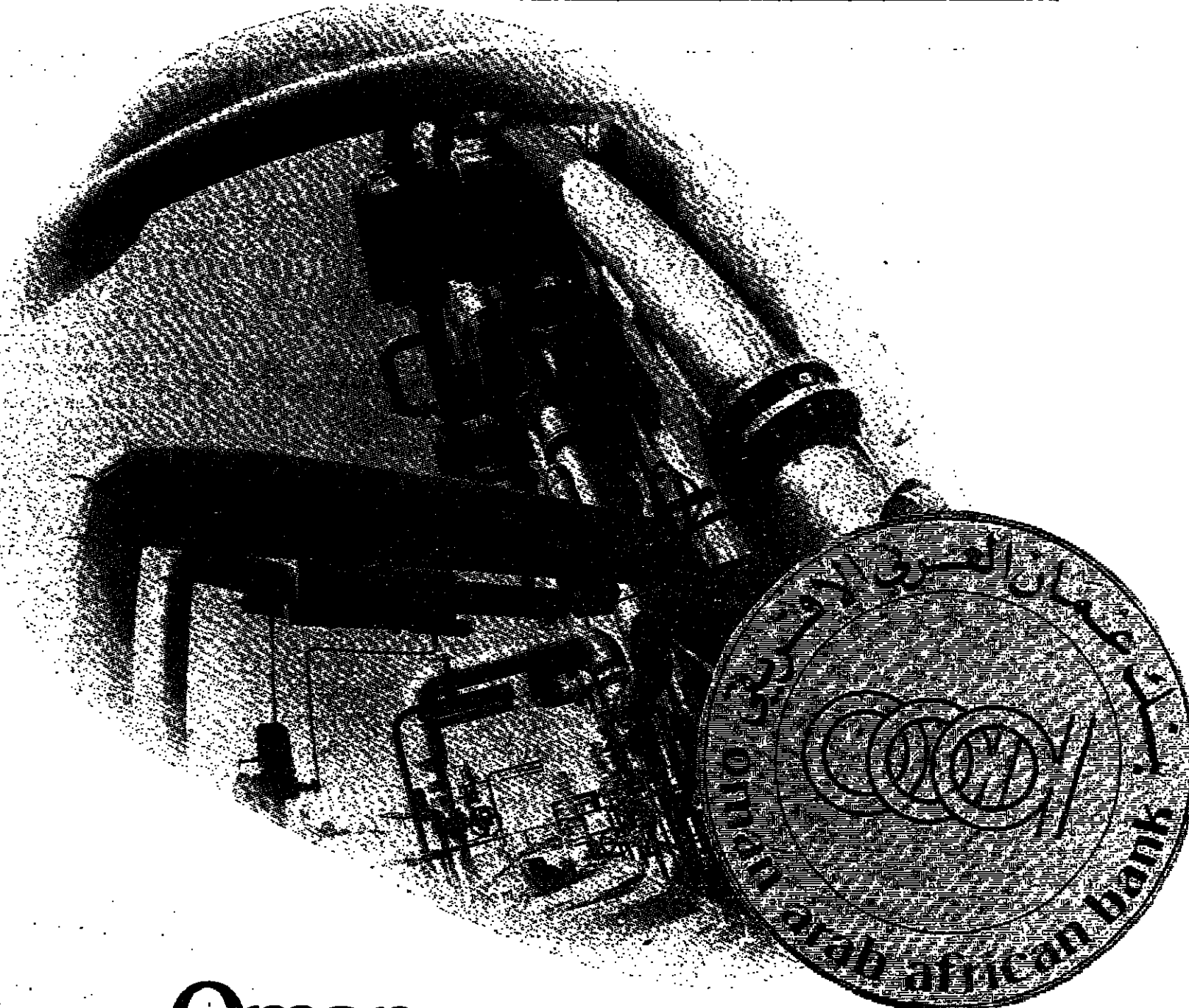
The serious depletion of underground water has made water conservation an essential part of the country's farming policy. Schemes for saving rain water, for example, include building 13 dams, with a combined storage capacity of about 330 million cubic metres a year.

Heavy industry has been given the second-largest share of development spending, a little more than 16 per cent of the 1981-85 investment total. Libya is now carrying out an ambitious programme to develop local downstream petroleum and chemical industries and the production of building materials such as steel, aluminium and cement.

Schemes include the country's biggest project, the Misurata iron and steel works, which is being built on the coast east of Tripoli. Because of the steady increase in demand for skilled workers and technicians, higher education and vocational training are particularly emphasized. There are now three universities: Al-Fateh in Tripoli; Gar Younis in Benghazi and the new Marsa Al-Brega, east of Ras Lanuf, the home of the country's petrochemicals industry.

Both Al-Fateh and Gar Younis are being expanded with the help of the London architects, James Cubitt & Partners.

Atef Sultan

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Has the withdrawal of four-time winner Bernard Hinault opened the way for the first Anglo-Saxon victory in the legendary Tour de France? John Wilcockson previews this year's 2,000-mile race, which begins today in Paris. Below, Neil Lyndon talks to the apprentice riders who are willing to sacrifice everything for success

## THE TIMES GUIDE TO THE TOUR DE FRANCE

# Breaking away

An Anglo Saxon has never won the Tour de France. In its 80-years history, the best performance by such a rider has been Tom Simpson's sixth place, in 1967. Simpson, of course, was fated to die on Mont Ventoux in his quest to win the Tour five years later.

Last year, the London-born Australian Philip Anderson finished fifth after wearing the coveted *maillot jaune* for half the race. It is a meagre record compared with the French, who have provided 32 Tour winners, and the Belgians, with 18.

This week, however, Europe's most respected cycling magazine poses the question: "Without Bernard Hinault, the suspense in the Tour de France is total: Anderson, Zoetemelk, Kelly, Roche, Van Impe... who can win?" Zoetemelk and Van Impe have each won a Tour de France, and are named more for sentimental reasons than by sporting logic. Anderson and the two

Irishmen, however, are all regarded as genuine candidates to succeed in what looks like being the toughest Tour for a quarter of a century.

All three are dedicated, enthusiastic, confident performers. Anderson, in particular, is no respecter of reputations. The four-time winner Hinault - absent this year because of knee trouble - describes the Australian as "the only rider who has posed problems for me in the past two Tours".

This rangy, inelegant pedaller is enjoying the best of his four years as a Continental professional. In April, he became the first Australian to win a modern day classic (the Amstel Gold Race, in the hilly part of Holland); in May, he finished, voluntarily, second to team colleague Stephen Roche in the testing Tour de Romandie, in Switzerland; and last week, in the south of

France he won the Tour de l'Aude for the second time in three years.

The Australian is continually perfecting his knowledge of his sport, and of himself; he possesses the immense physical reserves and deep moral qualities required of a winner of the Tour de France.

The same can be said of Sean Kelly, the angular Irishman from Tipperary, who has undergone a metamorphosis in the past 15 months. In his first five years as a professional, 1977-81, he acquired the tag of a sprinter, a man who could show a turn of speed at the end of a race but who could neither climb well nor race alone against the clock (time trialing).

The turning point was the final stage of the seven-day Paris-Nice race in March last year. To win overall, Kelly had to go faster than the French leader in a time trial that was all uphill - to the summit of the Grande Corniche road from Nice.

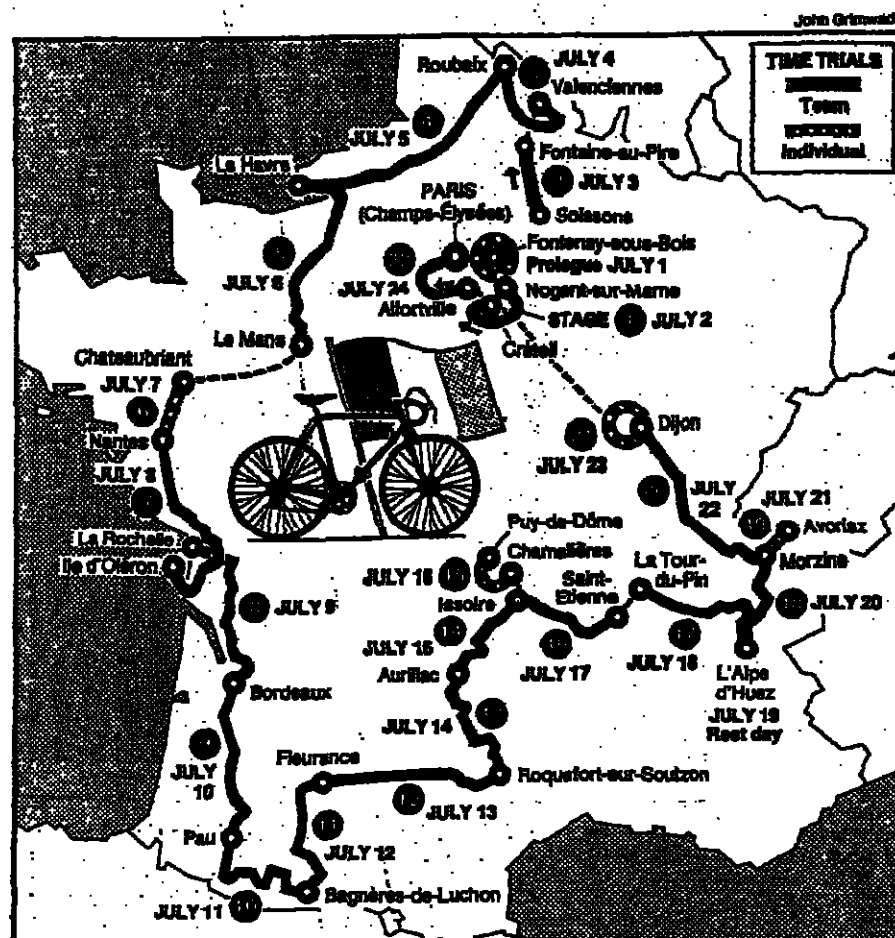
In last year's Tour de France he established a commanding lead in the points classification (using his sprinting ability at stage ends) before reaching the first mountains on stage 12. Kelly climbed well enough to keep with Hinault and Anderson over the 5,610ft Col d'Aubisque, and the Irishman outspurred the small leading group to win the stage, his fifth such success in five Tours. He lost time in subsequent mountain stages, mainly because he was conserving energy to defend his green jersey (the *maillot vert*) as points leader. He won this competition by a record margin (429 points, against the 152 of Hinault), but also showed his staying power by finishing an excellent eighth in the final time trial.

At the end of a successful season, Kelly went home from his Brussels lodgings to the family farm near Carrick-on-Suir to marry his teenage sweetheart and to unveil a plaque in what is now known as Sean Kelly Square. For 1983, maybe the year that Kelly could win the yellow as well as the green jersey in the Tour de France, his French-based team has been reinforced by the signing of three first-rate climbers: Agostinho, a Portuguese, Grez, a Swiss, and Rooks, a Dutchman. These three were largely instrumental in helping Kelly last week to win the Tour of Switzerland.

Some observers have said that Kelly has reached top form too early, and that he will fade away during the second part of the Tour, but an enforced six-week rest in April and May, following a heavy crash in the Tour Midi-Pyrenees, will have conserved the physical and mental reserves necessary to win a Tour de France.

At 23, Stephen Roche is four years younger than his compatriot, and is making his debut in the Tour de France. Why, then, is he cited as a potential winner?

He is the prodigy of continental cycling, his keen perception of tactics making him a fine stage-race performer. This year started badly for him when he dropped out of Paris-Nice with a knee injury. But he bounced back in May to win the Tour de



Romandie, in west Switzerland; and a few days later he was first in the Grand Prix Wallonie, a single-day race in the Belgian Ardennes.

The race starts today at Fontenay-le-Pire, in the eastern suburbs of the French capital, with the traditional prologue time trial. Each of the 140 starters will race alone around a hilly, round-the-houses loop, with Anderson, Grez, Kelly, Roche and Anderson all looking for a confidence-boosting ride. The three-and-a-half miles will have little bearing on the remaining 2,363 miles that follow during the next three weeks.

This modern-day odyssey has all kinds of pitfalls designed into the 22 stages by the race's joint directors, Jacques Goddet and Felix Levitan, who have controlled the Tour for nearly half a century. Each year, the route changes, but rarely have they proposed a more copious *cane* for their exclusive clientele.

After today's aperitif, they have chosen four somewhat indigestible starters: a 100-mile chase around a serpentine circuit wedged between downtown Paris and Orly airport; a 100-kilometre team time trial, in which each 10-man team will battle against time in the most pure exercise of speed; and then a marathon of 300 kilometres to Le Havre, the longest day since 1969.

These first four days, without the steady influence of Hinault and his team, will inevitably cause some surprises. They could also severely handicap the riders who are expected to come through strongly during the second half of the Tour, which is a continuous dose of mountains through the Pyrenees, the Massif Central and the Alps.

The outstanding climbers of 1982 were Beat Breu, winner of two mountain stages and overall sixth, and Peter Winnen, fourth overall. Winnen, a freckle-faced, fair-haired Dutchman, was second to Kelly in the Tour of Switzerland, and he has the backing of the powerful, British-sponsored TI Raleigh team, unbeaten in team time trialling since 1978.

The Roubaix stage, in particular, could prove the stumbling block for the first amateur team to compete in the Tour de France, Colombia, which includes potentially the fastest climb-

a year, 200 to 250 kilometres a time. Most professional cyclists burn themselves out in about four years. You couldn't survive without drugs. Some people don't survive because of them. Tommy Simpson was killed by drugs. Plenty of others, too."

For the present, though, these dreams of riches and nightmares of self-extinction are remote. The municipal council of Boulogne-Billancourt provides ACBB with a flat for the riders in a tower block. Akam and Flood live there, rent-free, with three French riders and 10 bicycles. Like any flat shared temporarily by five young men, theirs is mildly revolting to the stomach and the senses. Fetid thermals rise from the dark corners of rooms crowded with single beds and bicycles, mingling with thick old fumes from the kitchen. All the walls of the flat are decorated with posters in colour of cyclists in motion. The flat is a shrine to Phil Anderson, who was until recently himself a member of ACBB: he is the proof that the dreams need not be in vain.

"Phil Anderson lived in this very room," said Rick Flood, reverently opening a door. "That's Phil," he said, pointing to a poster of a tanned man with the face of a driven demon, riding a bicycle and wearing a yellow pullover.

Would you think, I asked them, that all your sacrifice and hardship had been worthwhile if you got to wear the yellow jersey? They looked horrified, as if some unutterable impiety had been spoken. Their replies collided in unanimity. "You don't know what you're saying. The yellow jersey? That's the ultimate dream. You can't let yourself even think about it. It's hard enough even to get a ride in the Tour, let alone to get placed in a stage. To be the racer, to wear the yellow jersey, that's almost worth dying for."

moreover...  
Miles Kington

## Waiting for a train

Bitter experience has taught me that if you come across a crowd in the street watching men erect cameras, put up lighting on scaffolding and wave mikes around, there is only one sane thing to do: hurry on past. Nothing ever happens during filming. The most you will see is worried people discussing what should be happening and then taking a tea break because it hasn't happened. Watching films is fun; watching filming is watching nothing.

Ten years ago a film scene was being shot outside my flat in Notting Hill, something with Yul Brynner in it. I was told, I went outside like a fool and watched for 40 minutes. Nothing. I came back in and went on typing. Some time later I became aware that someone was leaning on the garden wall, watching me. I looked up. It was Yul Brynner. He was clearly so bored that he had been driven to watch the only sign of activity in the area. So my feelings on the inadequacy of filming as a spectator sport have carried me through life. Until last Friday, that is.

Last Friday I went to York by train. I had forgotten until I got there that York is a great railway town. I don't just mean that most of the buildings seem to be owned by British Rail, or that they have streets named after George Hudson, the railway king. I mean that after Thomas Cook in London had sold me the wrong ticket, and the ticket collector at Kings Cross had charged me extra, the staff at York spotted that I had been overcharged at Kings Cross and volunteered a refund. That's what I call a great railway town.

To make things even better, there was a fully coaled-up steam engine in the station, so after checking in at the station hotel, I went back in to see what was up. What was up was some filming going on. Lights, cameras, make-up people and about a hundred actors in 1940s gear. The platform by the steam train was jam-packed with wartime extras - khaki soldiers with rifles, sailors in full rig, old style bobbies, mums with schoolchildren, evacuee kids, men in bow-tie and baggy suits. I bet the young Roy Hattersley was among them somewhere. In my vaguely post-war rig I felt quite anachronistic.

It was, in fact, *The Dresser* being filmed. There sat Albert Finney in a chair marked "Albert Finney", looking elderly. There stood Tom Courtenay in a brown suit looking worried, though I think he always tends to look worried, not necessarily because he hasn't got a chair marked "Tom Courtenay".

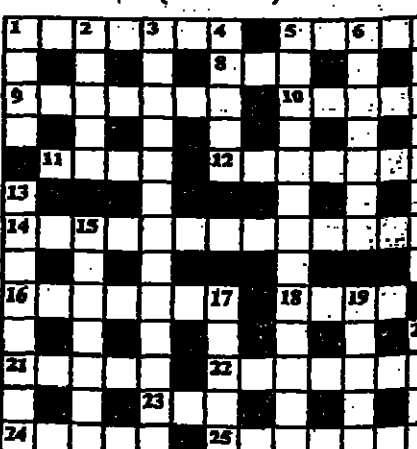
They finally got around to shooting a scene which involved the train coming in, stopping and disgorging a select handful of British stars, so it was at least worth it to see a steam engine move. At first all you could see was smoke behind the trees, then a great big black ex-LMS engine appeared and snorted its way up Platform 6, exhaling quite unnecessary steam for the camera's sake.

"I hope it's bloody well going to stop," said a 1940s voice behind me. We all laughed. The funny thing was, it didn't. At about 3 mph it ploughed into the buffer and took it with it, then stopped convulsively, no doubt giving a few British actors a great shock. There was a silence. Mr Finney sat motionless, the crashed train a few yards from his head.

"Bloody hell," said the 1940s voice, very impressed. Some worried-looking men gathered and discussed what had just happened. I decided to leave. Better to quit while you were ahead, when something had actually happened.

Later that night I tiptoed back into the station to have a last look. You'd never have guessed that film people had been there, especially not shooting a major film with Albert Tom, Edward and all the others with tank-engine names. Nothing disturbed the calm except the Scottish sleeper train gliding in and gliding out again. But there on Platform 6 the buffer was still ripped away from the line, living proof of the only train crash I have ever witnessed. I have now modified my theory to state that nothing ever happens during filming except when things go spectacularly wrong. Maybe it is worth waiting, after all.

## CONCISE CROSSWORD (NO 94)



- ACROSS
- 1 Sultor (7)
  - 2 Pincelike claw (5)
  - 3 Nigerian tribe (3)
  - 4 Surroundings (7)
  - 5 Low tides (5)
  - 6 Thaw (4)
  - 7 Loved person (7)
  - 8 Excessive supply (13)
  - 9 Archers' marks (7)
  - 10 Bird container (4)
  - 11 Uncanny (5)
  - 12 Flatulence (7)
  - 13 Never (3)
  - 14 Well-groomed (5)
  - 15 Monarchy (7)
- DOWN
- 1 In addition (4)
  - 2 Short saying (5)
  - 3 Restoration (13)
  - 4 Stiff (5)
  - 5 Inconscient (13)
  - 6 Subterfuge (7)
  - 7 Recipient (8)
  - 8 Vessel platform (8)
  - 9 Vymaine (7)
  - 10 Not intoxicated (5)
  - 11 Cricketer (5)
  - 12 Depend (4)

SOLUTION TO No 93  
ACROSS: 1 Pincer 5 Alcove 8 Opt 9 Kowtow 10 Oblong 11 Idea 12 Reemance 13 Asses 15 Insert 17 Ties 18 Arm 22 Guinea 23 Inland 24 Sac 25 Wildish 26 Triple  
DOWN: 2 Ovoid 3 Sariate 4 Towards 5 At one 6 Calve 7 Vinegar 14 Stimuli 15 Inflict 16 Smart up 18 Pungi 19 Awash 21 Canal  
(Solution to No 94 on Monday) Recommended dictionary is the new Collins Concise

## Exiles in pursuit of the yellow jersey

They might as well be in prison: it would probably feel like a holiday. The inmates of the harshest detention centre endure no greater physical hardship nor more material deprivation than do Rick Flood and David Akam in the life they have chosen. But their indefinite spell of back-breaking slavery is self-imposed.

They are cyclists, road racers, members of one of France's top amateur teams, Athletic Club de Boulogne-Billancourt (ACBB) in Paris. Flood, 24, from Bendigo, north of Melbourne, was a member of the Australian team which won the silver medal in the 100-kilometre race at the Commonwealth Games. Akam, 22, grew up in south London and was national junior champion of Britain over 25 miles and in pursuit. They both joined ACBB as a means to display their talents to the managers of France's professional teams.

Because many riders from its lists have graduated to the European professional circuit, ACBB is known as a nursery for professionals. "More like a slaughterhouse, I'd say," Rick Flood observes. At the beginning of this year's competition season, in February, 15 foreign riders were in the ACBB team. Now only Akam and Flood remain, the others eliminated by failure, injury, loneliness, lack of nerve and the brutality of the life.

ACBB expects them to ride in races two or three times a week from February to October, over distances of between 100 and 150 kilometres. "Put together," said Flood, "that might be about 20 times the load of competition

that a marathon runner would expect in a season."

The physical perils of these exertions are extreme. "You've got to watch out for the bonk," says Akam, striking his forehead with the heel of his hand. "The bonk" is a sudden collapse of the blood sugar level, instantly bringing on delirium and delusion. The cyclists may use up to 6,000 calories during a race; to stave off "the bonk" they nibble constantly from small snacks in the "bonk-bags" they wear.

As dangerous as "the bonk" is the behaviour of other riders, desperate to stall or unseat their rivals. "Team-cycling is the most vicious sport," says Flood. "I was so green before this season. I didn't know a fraction of the tricks they can pull."

Rick Flood has crashed nine times this season. "Over the bars. Under the bike. Carved up by the pack. Skidding on wet, muddy cobbles in February. Gravel's the worst. It takes so much skin away, especially from elbows and knees." While he spoke, Flood's hands passed over the scars on his body - livid rents, purple craters and long ridges of fresh tissue. "This was the worst," he said, raising his shirt and gingerly rolling down the waistband of his shorts. A gouge of mauve and black flesh bubbled on the line of his hip. His fingertip ran brusquely around the wound. "Brake lever," he said.

ACBB, which is fully sponsored by Peugeot and other companies pays the men an allowance of 1,500 francs a month, about £125, for their subsistence. They can barely afford to eat, still less to enjoy themselves in Paris.



A shrine, but a slaughterhouse too: Flood (left) and Akam at home in Paris

"Sometimes we go for a ride on the Metro," said Flood, not apparently joking.

Their meagre allowance is supplemented by the cash prizes that they can win in races, up to a limit of \$500 a race (the financial arrangements of "amateur" cycling in France are indeed mysterious).

Akam had won seven races by the end of April, when a mysterious intestinal illness stopped him racing. Flood has won three races and been placed many times. Their successes attracted the attention of professional team managers, and both have been offered contracts for next season - Akam with Peugeot and Flood with the tyre manufacturer Wolber.

They say that a moderately successful rider on the professional circuit earns "an ordinary kind of salary, about the same as a plumber or

something". A very successful rider, such as Phil Anderson, the Australian who was fifth in last year's Tour de France, probably earns about 22,000 francs a month, plus lavish gifts and prizes. The very top riders in France today, the Tour winners, might be earning more than £100,000 a year.

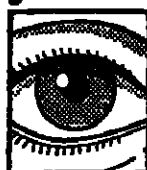
The price of these earnings is desperately high. Both men calmly acknowledge that, as professionals, they would be expected to take drugs to improve their performances. "The sport is awash in drugs - amphetamines, steroids, hormones and drugs you've never heard of. It's even strychnine." What? "Yes, strychnine. There's a pretence of regulations, but in fact there's no control at all. The team doctors dish out the pills and you've really got little choice. The human body just can't take the strain of professional riding, 120 to 150 races



صلى الله عليه وسلم

## MEDICAL BRIEFING

## Forty fitter years on



The usual view of old age could not be better expressed as it is in the old school song: "Forty years on and growing older and older, shorter in wind as in memory long, feeble of foot and rheumatic of shoulder, what will it help you that once you were strong?" Medicine is changing this accepted view, artificial hips allow the feeble of foot to walk, hydrocortisone injections loosen the frozen shoulder, the breathlessness of heart failure is relieved by diuretics.

Not should blindness be accepted without question. Professor Alan Bird, of Moorfields Eye Hospital in London, made a plea this week to elderly patients to report disturbances of vision.

Professor Bird was talking of one particular eye trouble, partial blindness caused by senile macula degeneration, a condition where there is a proliferation of blood vessels between the layers of this part of the eye. A surgeon using a modern laser can often save the sight if the patient reports for treatment before too much damage has been done.

As the need for treatment is so urgent, he suggests that any elderly patient who complains of distorted or blurred vision, of objects appearing too small or of the disturbing symptom of straight lines appearing bent should immediately be sent to an ophthalmic casualty department.

## Hearts awry

The sudden death of Caroline Bradley, the popular and apparently fit horsewoman, is thought to have been due to the development of a condition known as a cardiac arrhythmia, a condition where the electrical impulses which control the regularity of the heartbeat become so disorganized that the heart becomes uncoordinated and loses its ability to act as a pump. Miss Bradley is one of over 300,000 people who die from various forms of heart disease every year. The cause of her particular trouble, sudden cardiac death, is usually due to an arrhythmia known as ventricular fibrillation.

Although many patients with long standing or acute coronary artery disease do die suddenly from ventricular fibrillation, cases where this fits persons die suddenly without much evidence of coronary heart disease are also comparatively common. This condition is being studied at the Rayne Institute at St Thomas' Hospital, London.

Dr D J Hearse, the research team leader, said this week that they were passionately interested in solving the problem as to why otherwise healthy individuals should suddenly develop ventricular fibrillation, particularly as the disorder is apt to occur away from a hospital where the normal rhythm could be quickly restored and life saved. Their research suggests that ventricular fibrillation is related to coronary artery spasm. It seems likely to occur when blood returns to the heart muscle after the arterial spasm has relaxed.

## Snakes and ale

Apparently Theakston's is now challenging the Federation as the beer North Country Members of Parliament drink as a nightly reminder of their provincial origins and loyalties. But to many doctors the name Theakston means venom, not beer; for Dr David Theakston, son of a former managing director, forsook the brewery to read zoology and is the Liverpool scientist to whom doctors refer their questions on snakes.

Dr Theakston is plegmatic about news of an increased number of adders on the east coast, for, he says, nobody has died in Britain from an adder bite for six years. Most British hospitals now stock Zagreb-made serum which is both very effective and pure. In the past, the fear of inducing a severe allergic reaction had curtailed the use of serum. If the usual precautions are observed, however, the new refined form is comparatively safe.

## Vocal strains

Although Mr Neil Kinnock is unlikely to welcome the thought that he should copy the Prime Minister in anything, doctors are suggesting that he would be wise to follow her lead and take advice on voice production. Both have suffered from vocal strain. A throat specialist attributes this to a tendency they have to force their voices, particularly when competing against background noise or when suffering from a cold. If the volume of Kinnock is going to make so many speeches, he would be well advised not only to have speech therapy, but also to make more effective use of a microphone.

Politicians are grouped with market traders and barristers as having an occupational tendency to develop laryngeal problems for as well as getting acute laryngitis, they are likely to suffer from small nodules or even polyps on their vocal cords.

Cancer of the vocal cords or larynx is almost entirely confined to smokers, but anyone who has a hoarse voice which has refused to respond to treatment within six weeks, or three weeks in the case of smokers, should have a specialist examination by a specialist.

Dr Thomas Stuttford  
Medical Correspondent

## Shirley Lowe looks back over Catherine Bramwell-Booth's 100 years

Commissioner Catherine Bramwell-Booth will be 100 years old this month. "I'll be glad when all the fuss is over", she says, and nobody believes she means it.

In the past few months, Catherine, granddaughter of General William Booth, founder of the Salvation Army, has given 27 interviews, including one of three hours before the cameras with Malcolm Muggeridge, her greatest admirer, who has been corresponding with her for 30 years. On that occasion, one of the arc lamps fell over and struck her on the side of the head. "It's lucky I am wearing my bonnet", she said crisply and went on with the interview.

When she was a stripling of ninety, the commissioner went through a period of depression. After a lifetime spent converting sinners and helping the hopeless, she felt old, useless. "I thought I was going to be asked to preach, speak at some Army function, but I wasn't, nobody wanted me any more", she said. So she went out into the garden and had a conversation with God. She asked Him to help her accept the facts of old age. "It's your ordinance, Lord", she said. "I haven't got the physical gumption in me any more." And the next day the BBC rang her up and asked if they could film her for an interview.

It was the beginning of a new career in the publicity business. "She's the best public relations officer we've got", says Captain Rob Garrad, director of the Salvation Army's Information Services, who now spends at least one day each week ferrying the world's press and television representatives down to the manor house in Berkshire, where the commissioner lives with two of her sisters, Colonel Olive, 91, Senior Major Dora, 90, and Madea, the cook, who is only 84.

The brown paint on the house is peeling, the drawing room is now a faded blue and the oak dining-room - a spartan salad set for lunch - has a chilly, damp feeling to it. The women who live here, however, are totally contemporary.

Catherine is tall and stands as straight as a sergeant-major. She is forthright and funny. "Christian speakers should come in with a punch", she says, and is discouraged by what she calls "the little babbling about nothing" she hears on the BBC's religious programmes. She never misses an opportunity to pass on The Word and it was after discovering that the individual journalists she met mostly lacked faith, that she agreed to accept the Guild of Toastmasters' award for best speaker of the year. Rightly guessing that the media would turn out in force to see the country's



Senior Major Dora, Colonel Olive and Commissioner Catherine Bramwell-Booth with a bust of their father.

leading toastmaster dining with the toastmasters, she waited until everyone was inside the room and she could not get away, and then she preached to them.

When she appeared on the Parkinson and Harty chat shows, she took over too. "I hope you're not a betting man, Mr Parkinson," she said, when he was unwisely enough to remark that he was putting his money on her last night. Another 20 years, and when Harty introduced the three sisters: "Now, let me see, you're Catherine and you're Olive and you're Dora," the commissioner fixed him with one of her flinty looks. "And who are you?" she asked.

Afterwards, people wrote to her saying they were glad she had put Parkinson in his place. "I don't know what they mean by that, I'm sure", she said. The expression is innocent but her eyes are alight with wicked amusement. Leaving the studio after the Russell Harty interview, she asked: "When I said 'Yes, you think they liked it?' 'Yes, yes', everyone chorused: the audience adored it. 'Yes I thought they might', she said.

Catherine's parents, Bramwell and Florence Booth, had seven children, and now only the three sisters and a married brother in Buckinghamshire are still alive. None of the Booth girls married. Some say their charismatic father

was a hard act to follow. Catherine told a journalist recently that nobody had ever asked her to marry but in one of the two books she is publishing this month, she writes that although she would like to have had a husband and children "I feel sometimes that I should have been so much in love with my husband, as my mother was with my father, that perhaps God couldn't trust me with a husband. He would have taken the place of God in my life."

Most likely, the Booth daughters were far too involved in Salvation Army business to have time for such girlish pastimes as courting. The family's interests were always dauntingly global. "Now, Bramwell, do more for the homeless and remember China", said the founder, as he lay dying, to his son. Bramwell was actively working in the Army when he was only 14 and, as the eldest child of busy parents, Catherine not only looked after the little ones but was out visiting the homes of the sick and the drunk by the time she was 12. She was spared the mantle of succession because her father was forced to resign when he was 71. It is a matter of sorrow to the family, and Catherine has added Bramwell to her surname in his memory.

She found public speaking a torment. "Cath, never worry if your knees are trembling, so long as the

people don't notice", her father advised her. "People always seemed to expect us to be able to do things simply because Booth was our name", she says. "I used to feel so unequal to it."

"When we were children, Cath took our parents' place and if she said 'no' that was it", Dora says. Things haven't changed much over the years because, when Dora had a heart attack a few years ago and lay in bed for three weeks, Catherine appeared in her room. "Dora, I want you up in the morning. If you just go on laying there you'll become a vegetable."

The sisters relish an argument and can keep one going for days. "You disagree but you don't fall out," Dora explains. Catherine, like the first-born in any big family, is adept at "winding up" the other two but, she says, "They are not only my sisters, they are very good friends."

The colonel and the senior major exist for their commanding officer. They monitor her interviews (not too many at a time in case she tires), they type out her manuscripts and

speeches, fetch her knitting, keep her uniform pressed and mended, her flower-bowls filled and worry about her. "Her memory isn't quite as good as last year," Olive says. "Well, darling, she is 100", Dora says. "Old people don't remember as much as they did."

A few weeks ago, Olive arranged a birthday party in the parish hall for 200 people and the commissioner made a rousing speech. "I want you all to know that I'm in love with living and if I live to be 101 I'll be glad."

A loyal voice from the audience called out. "I'm hoping you'll go on until you're 105."

"Dora, don't interrupt, please, when I'm speaking", Catherine replied.

Fighting for the King. A collection of verse by Catherine Bramwell-Booth. To be published on July 18 (Hodder & Stoughton, £1.95). Commissioner Catherine, by Catherine Bramwell-Booth in association with Ted Harrison will be published July 20 (Darton Longman & Todd, £1.95).

## FIRST PERSON

## Battles with a beetle

**S**tegobium paniceum is a beetle I would hesitate to raise in company. Like a sexually transmitted disease it is best kept out of sight and mind. In fact Stegobium paniceum is a reddish brown beetle barely 2mm in length whose larvae live in dried plants, dry bread and almost anything in a domestic foodstore. For two years my wife and I have been plagued by them.

We first spotted them in a jar of white bread flour. There soon followed other sightings.

Soon they were everywhere. The cracked wheat, kept in a screw-top jar was alive with them, an unopened packet of dried mushrooms had been infiltrated. Our baby's breakfast cereal became infected, spice jars fell prey and the flour bins were blighted again.

Infected food was thrown away. Flour drums were repeatedly emptied and spice jars discarded. No container was impenetrable, not even screw-top glass jars.

Now our strict regime of inspecting all food carefully and destroying any that is suspect, of storing fresh supplies in airtight containers and of maintaining a quick turn-over of produce has achieved relative success. We have not seen a beetle for two months.

Our local environmental health office confessed the Stegobium paniceum was a new one on them and advised a liberal use of insecticide. Experts at the Natural History Museum were less reticent about the bread beetle, as they call it, and less enthusiastic about the insecticide. Go into any home, they said, and you will find either furniture, bread or carpet beetle.

These past months, for my wife and I, have been long, bitter and at times embarrassing. After all, beetles and bugs are, in the public mind, associated with dirt. And our success at ridding our house of this monster may be short lived. The Natural History Museum also said that Stegobium paniceum is part and parcel of the environment and that it would be extremely foolish to believe we could ever rid ourselves of the pest completely. Stegobium paniceum is here to stay, but not, I hope, in my larder.

Michael Young

## Till the Bill do us part

Few items in this short sharp summer session of Parliament, promise to provoke as much controversy as the Government's plans, outlined in last week's Queen's Speech, to introduce a new divorce Bill. As yet unpublished, the new Bill is expected to consist, for the most part, of a Private Member's Bill presented last spring by Mr Martin Stevens, Tory MP for Hammersmith and Mr Leo Abse, leader of the All Party Committee for Divorce Reform. That Bill failed on its second reading after feminist rights and single parent groups persuaded Miss Joan Lester, then MP for Eton and Slough, to withdraw her sponsorship. The new Government Bill, which will contain some non-controversial additions, is certain to go through, but not without a stormy passage.

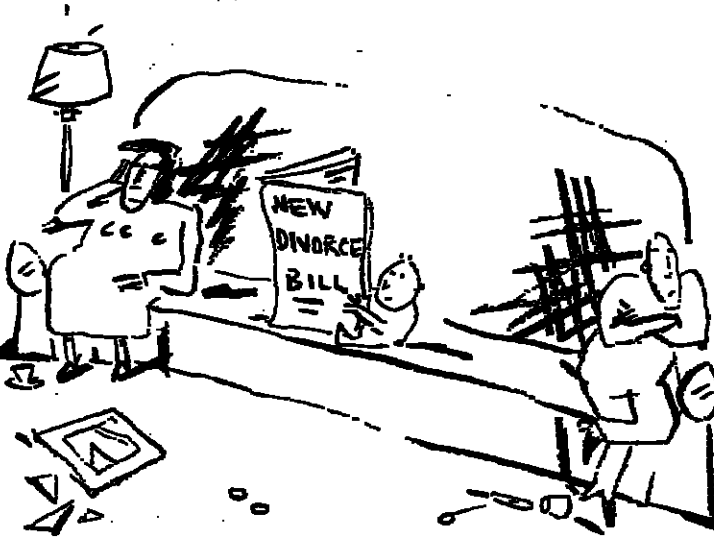
It is designed to end the so called 'meal ticket for life' maintenance system. The clearly impractical objective of the 1973 Matrimonial Causes Act, that the courts should try to leave both parties in the same position as if the marriage had continued, is abandoned. Now 40 per cent of married women work, ex-wives would be encouraged to be self sufficient where possible - the courts would be able to award fixed term rehabilitative maintenance orders for instance, instead of hanging a millstone round a husband's neck for life.

A 'clean break' would be encouraged. At the moment the courts do not have the power to dismiss a wife's claim for maintenance without her consent. Financial support for children is to be made a priority. And, in proposals that are at odds with everything else in the Bill, the old concept of conduct is to be reintroduced as a factor in these financial arrangements.

Conduct was effectively banished by Lord Denning's famous Wachtel judgement nearly a decade ago when he opined that it was impossible to know who was to blame for what in a marriage breakdown. So conduct should, in most cases, be left out of the financial equation. Bringing it back, even hedged around with qualifications, nations a tang of Victorian censoriousness to divorce proceedings at a time when the fledgling conciliation services round the country are trying to get marital squabbles resolved without resorting to adversarial tactics.

Virtually everyone involved in divorce now sees conciliation as the path of progress. The attempt of the legal eagles to bring conduct back into the divorce equation is regarded with universal horror.

Indeed the whole Bill seems so vague, particularly about the children, that it pleases nobody, neither the feminists who point out that



women with children are disadvantaged in the job market, nor the single parent organizations who claim that more than half of lone parents depend on supplementary benefits. Neither does it satisfy the divorce reformers who suspect that the maintenance changes are still cosmetic and the conduct clause truly destructive.

It certainly does not appeal to the likes of the Married Women's Association whose chairman Mrs Juanita Frances says: "It's a law against women designed by men to protect themselves." She argues for keeping maintenance as a wife's right.

The promoters of the original bill have uttered many soothing words about removing the grosser inequalities in the present system of maintenance without hitting the older married woman who has never worked, not the younger ones with finances to support. But Mrs Frances and her members, who have already lobbied MPs, are not the only ones suspicious of what the men are up to.

The single parents' groups who squashed the first Bill, are still pretty hostile. "We were very upset about women being branded as 'alimony drones' by the Law Commission and the media," Jane Streather of One Parent Families, says. "You got the impression that there were all these ladies loitering around living comfortably off their hard pressed husbands. The truth is that over half of lone parents are dependent on supplementary benefits."

"Now we want to work constructively with this new Bill to stiffen up the rights of the children. At the moment the provisions are very vague - it looks like window dressing while the real purpose is to reduce the amount of maintenance paid by men."

If, as the pro-divorce reform

lobby contends, these fears are vastly overdone, how do you get around the fact that women who leave their jobs to have children, particularly now with high unemployment, are permanently disadvantaged in the job market compared with men? "Women's wages are still way below men's," says Robbie Robson of 'Gingerbread' the single parents' group, "so even when a child has grown up, there should still be some recognition that the caring parent has given up some chances."

But a first wife's right to maintenance frequently impinges on spouse number two. It was indeed the plight of second wives and their financially overburdened husbands that convinced Lord Hailsham, the Lord Chancellor, to introduce the reforms in the first place.

The single parent groups may claim that the 'alimony drone' is a myth, but the reasonably well heeled middle class husband has probably borne the brunt of the present divorce laws. He can, after all, be divorced against his will, losing his wife, his children, his house and a sizable chunk of his income for life into the bargain.

Mrs Yvonne Moffatt of the Campaign for Justice in Divorce, which has lobbied for reforms, thinks the Bill is better than nothing. "It will help some of our members, depending on how the new provisions on maintenance are interpreted. But I think it is misguided to cling on to the old concept of maintenance, even though women are disadvantaged in the job market."

"What women ought to be doing is pressing very hard for the Government and industry to change their ways, provide more part time jobs at higher levels, creche facilities, job sharing and better retraining facilities."

Maggie Drummond

## THE TIMES Tomorrow

START THE WEEKEND WITH THE PAPER THAT INFORMS, STIMULATES, AMUSES AND PROVOKES



● The British Seaside Part I - Alan Hamilton discovers the old-fashioned side of beach holidays



● Travel: From the Pembrokeshire Coast with love; tips for tourists travelling in Russia

● Sport: Rex Bellamy on the Wimbledon Finals; the Henley Regatta



● Family Money: Credit card frauds - are you liable?

Plus

News from home and abroad: Family Life on the art of children; Values on how to put up your friends and relatives; Rock records of the month; Critics' Choice of what's on in the cinema and on the stage; guide to the coming week's events



# THE TIMES DIARY

## I'm-partial

The new issue of *The Listener* bites the hand that feeds it hard enough to draw blood. In a second article on broadcasting from Northern Ireland, Peter Lennon reports that there is only one broadcast journalist in the province with senior editorial rank who is not an Ulster Protestant. The exception is Stephen Clappole, the BBC's editor, news and current affairs, fourth in seniority. He is English. Lennon asked all the broadcasters whether they considered the root cause of conflict in the province sectarian, social or political. All placed "sectarian" first (two preferring to call it "tribal sectarian"), with the sole exception of Clappole whose order was "political, social and sectarian". *The Listener*, with that impartiality for which the BBC is wont to be famous, notes at the bottom of the page that Lennon is "of Southern Irish Catholic upbringing".

## Taking the cure

I should think the Queen has to suffer enough without *The Health Express*, a free sheet given away in Holland and Barrett health food stores, infringing the convention that her name is not used to advertise. According to *Health Express*, at any rate, nine new homeopathic remedies constitute "the system of medicine that the Queen carries with her on every royal trip". The nine branded products are for insomnia, rheumatic pain, lumbago and sciatica; hay fever; mental or physical tiredness; indigestion and digestive disorders; colds and influenza; haemorrhoids; and skin problems. Poor dear, what she has to put up with!

## Squatting MPs

It is notoriously difficult for parliamentary new boys to fit in. With the difficulty in finding rooms, at least two groups of the pushier Conservative newcomers have taken matters into their own hands, and gone squatting. An aristocratic duo, Colin Moyrhan (Lewisham East) and the Hon. Thomas Sackville (Bolton East) have set up camp with Jonathan Sayeed (Bristol East), who modestly decided that the room he had obliged Tony Benn to vacate was too grand for him to occupy alone. George Walden (Buckingham), Jeremy Hanley (Richmond), Francis Maude (Warwickshire North), Antony Baldry (Banbury) and Peter Lilley (St Albans) have similarly appropriated an office in Palace Chambers. I will let you know if the bailiffs call.

BARRY FANTONI



'Just think - if we had a job we'd be entitled to an allowance'

## Earthy retort

The Soil Association is throwing muck at the slogan "Naturally English" adopted for the central Food from Britain exhibit at next week's Royal Show. The association, which campaigns for organic farming, says it is outraged at the "disgraceful and fraudulent" use of the words. Our grass, it points out, is grown with the aid of millions of tons of artificial fertilizers. Cereals are drenched with insecticides, fungicides and herbicides. Vegetables are grown in computer-controlled concrete channels. Poultry, pigs and cattle are pumped full of antibiotics and anabolic steroids and fattened on imported, processed feeds. Even the wretched animals, Friesian and Holstein cows and Landrace pigs, for example - can hardly claim to be "naturally British", especially when they result from artificial insemination.

## Staying put

I am sorry to disappoint the Conservative freshers (and one or two older hands) who rushed to ring Capital Radio, after reading my column yesterday, to apply for Robin Squire's job as Conservative contributor on the programme *Party Pieces*. Squire, newly appointed PPS to Linda Chalker, the Transport Minister, has now been given a dispensation by his new boss to continue his pleasantly uncooperative contributions for the time being.

Edward Heath, conducting at the tenth birthday celebrations of the Tower hotel the other day, revealed that he still wears the champagne-colored silk pyjamas he was given when the hotel opened. This suggests that they are of very durable quality, but that he does not wear pyjamas that often.

PHS

Paul Routledge finds the trade unions bloodied but unbowed

# Warming up for a hard winter

The unions have been understandably subdued since the election debacle last month, but two key conferences next week will see them emerging from the shock and spoiling for a fresh fight.

The miners, meeting in Perth, and the Transport and General Workers, in Douglas, Isle of Man, are keen to demonstrate that the drubbing their party got at the polls has not diminished their self-confidence or blunted their sense of purpose. If the labour movement still has a cutting edge, it is to be found in the NUM and the TGWU.

Mr Arthur Scargill, the pitmen's left-wing leader, will sound a rallying cry in his presidential address on Monday. He is characteristically undismayed, insisting: "Amidst all the gloom and despondency that one can see in the trade union movement I am looking very optimistically and with a great deal of confidence towards the future."

"It is my honest assessment that out of the present economic and political crisis we shall see the development of a struggle that will lead us into a far wider-ranging arena than ever right or left even contemplated."

Tough words, but can Mr Scargill get the miners to back him? He was twice worsted by his own members in the pithead ballot box last winter, when they rejected industrial action over pay and pit closures. But he persists in believing that the colliers will rise again.

The NUM national executive is putting an emergency motion to the conference proposing an intensive campaign in the coalfields to acquaint the miners with National Coal Board plans to shed as many as 65,000 jobs over the next few years. This would be followed by yet another strike ballot "at the appropriate time".

Asked when that would be, Mr Scargill replies sharply. "When we can win". The customary time for balloting is around September or October, when the NCB makes its final pay offer. This year is likely to be no exception, and the industry is expected to be in ferment after the formal takeover of the coal board chairmanship by Mr Ian MacGregor on September 1.

The miners have also changed their strategy on wages. Instead of asking for huge percentage cash increases, in a package claim that carries insufficient credibility with the men, the militant areas are proposing a demand for "substantial" increases, which will leave the union with room for manoeuvre.

Pitmen settled for 6.5 to 7 per cent on earnings last November, at a time when the Government was seeking a 3.5 per cent ceiling on public sector settlements. Ministerial pleas for "wafer-thin" increases of 2 to 3 per cent in the next wage round are sure to fall on deaf ears in the mines.

However, the mineworkers'

money militancy has not really been tested for a decade - since the big strikes of the early 1970s. They have either accepted voluntary restraint to support a Labour government or been bought off by above-the-normal increases. Should the coal board and the Cabinet take a tough line on pay, they might just deliver Mr Scargill the majority he needs for a strike.

The Scottish miners who are putting up the pay policy motion argue that it demonstrates that "the NUM is determined to pursue its democratic right to bargain for improved wages and conditions", a sentiment that will be heavily endorsed by the 1,200 TGWU activists attending the transport union conference.

While some moderate union leaders hint strongly that the TUC should adapt to political reality and engage in serious discussions with Mrs Thatcher's second-term government, the TGWU will make a powerful public declaration of its traditionally hard-line policies.

The transport workers will reject moves to water down the union's commitment to free collective bargaining - a policy which presumes that there is money to negotiate about, not just a pre-determined limit of 'x' per cent. Their influence across a wide spectrum of industries and services, ranging from the docks to hotels, will pull reluctantly behind the TGWU many unions whose leaders prefer the

more comfortable environment of wage restraint.

The TGWU is regarded by the left as the bulwark that will stop the rest of political uncertainty. That has followed the election result. The union's predominantly left-wing executive is plainly not attracted to the newly fashionable retreat to the right being offered by such figures as Mr Gavin Laird, general secretary of the engineering workers.

Mr Walter Greendale, the TGWU hard-left president, taking the chair for his first biennial policy conference, is confident that the transport workers will reject all forms of wage restraint, adhere to unilateral nuclear disarmament and withdrawal from the EEC - and support Mr Neil Kinnock in his attempt to win the leadership of the Labour Party.

The miners will do much the same. On neither agenda is there any suspicion of rank and file political revolt in favour of the law reforms about to be introduced by Mr Norman Tebbit, Secretary of State for Employment.

Ministers may feel that they have won the argument in the country, but the policy-making processes of the Labour movement are grinding inexorably towards a sort-out, which could come this winter. The path for that will be charted next week, in the formal debates and behind-the-scenes discussions on strategy in the movement's two most politically alert unions.

## The Times Portrait: Andreas Papandreu



Ironically France, under a fellow-socialist government and generally very pro-Greek, is being as uncooperative as anyone in its attitude to Greek demands. President Mitterrand makes little effort to conceal his impatience with Papandreu's posturings. He was profoundly irritated by the Greek prime minister's clumsy attempt to stage a meeting between him and Yassir Arafat in Athens last September, and the pre-Williamburg meeting of European socialist leaders he could be seen staring fixedly ahead of him while Papandreu spoke animatedly into his ear.

The most difficult foreign policy issue for Papandreu to resolve has proved to be the American bases in Greece, which he has pledged to get rid of. The Americans have refused to fix a date for their departure and negotiations on the terms of their remaining have dragged on and on. Last month Papandreu told everyone that a decision would be taken within a week, and the text of the agreement was leaked in a pro-government newspaper. Then an unexplained, last-minute hitch arose and the negotiations were again postponed.

No one but Papandreu himself seems to know exactly what the problem is, or whether there really is one. Some think he is unable to make up his mind, others that he finds it useful to keep the issue in suspense. The Greek economy is going through a very bad patch, and most people naturally blame that on the government, including the powerful communist party which has come out very strongly against the anti-strike law passed at the beginning of June. Some saw this law as part of the preparations for an expected wave of protest strikes against an agreement on the bases. But others place it more in an economic context, pointing out that the government cannot afford to increase wages in the public sector and therefore must prepare to resist strikes for wage demands.

If the latter interpretation is right, Papandreu may have decided not to take on the left over the issue of the bases at the same time. Neither, however, is he willing to risk an all-out confrontation with the United States by breaking off the talks.

Many people in Athens, not only in right-wing circles, detect a totalitarian streak in Pasok's behaviour and speak of the dangers of a one-party state. Papandreu himself remains an enigma: adored by his followers, intensely feared by his opponents, renowned for his high-handed and personal style of government by some of his colleagues, yet regarded as pragmatic and even charming by some Western diplomats. Once, after a visit to London before he came to power, he proclaimed a strong sense of affinity with Tony Benn. Perhaps, if Tony Benn ever became prime minister, that is what he would be like.

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# Where Chelsea leads, will Britain follow?

Senior members of the Liberals and SDP have been reflecting optimistically on the future shape of the Alliance. But, further down both parties, the confident slogans of the election have given way to a less confident "Where do we go from here?" There are some intriguing rumour noises in the grass-roots. The Alliance's future will be settled as much by the gut-wrenching of local shifts, splits and deals as by the pronouncements from on high.

Tonight, for example, one such shift may take place, in the unlikely setting of fashionable Chelsea, where SDP members will float the idea of breaking away from the party's own area structure and setting up an individual constituency association, which some influential local supporters hope would soon be transformed into an overall Alliance organization.

Chelsea's Liberals will meanwhile put forward a draft plan for a joint body, made up by representatives of both parties, which would run all future Alliance election campaigns in the constituency. Just how far the discussion among the half-dozen participants will progress is uncertain, but the intent is clear.

"I think an Alliance constituency association in Chelsea is probable within the year. I certainly hope so," says Mrs Shirley Hewson of Kensington and Chelsea SDP. "The

general feeling we picked up during the election was that people cannot be bothered with the nuances between the SDP and Liberals. They were just interested in the Alliance."

Mr Tony Somers, chairman of Chelsea Liberals told me: "We would like to go ahead on such lines. I think a lot of our grass-roots supporters already think of themselves as the Alliance and have largely forgotten separate identities. They find it difficult to understand or accept the idea of two separate parties, yet working together."

Although the demand for such fundamental change by the grass-roots is patchy, it appears to be gathering momentum. While the higher echelons of the SDP seem largely unaware of the feelings building up in the constituencies, senior Liberals are much more alert to the changing views of activists.

They have already received soundings from two regional conferences and are now collecting replies to questionnaires sent out to all parliamentary candidates about the election. "We are preparing to take steps to ease potential constitutional and practical problems that might exist for next year's Euro-election," one official commented.

The grass-roots pressure for terminating the existing cumbersome dual party structure is not confined to inner London but can be

seen, in different forms, all over the country. In Lincoln, sharp differences between the two parties over the choice of the SDP candidate to fight the general election have been replaced by a strong desire on both sides for a merger at national level.

"There will be a strong push from here, certainly from the Liberals, to encourage our party to think seriously about such a move," says the Rev David Parker, local Liberal chairman.

In Ross, Cromarty and Skye, won by the SDP on June 9, an Alliance group, rather than Liberals or SDP, is "very clearly running the show," according to one national Liberal official.

"We hope to establish some kind of Alliance structure within the constituency," says Mr. David MacDonald, the local Liberal constituency secretary, whose wife was election agent. We are thinking in terms of an Alliance club in which both SDP and Liberals could have associate membership.

"In effect it would be very, very close to a merger. There is a feeling that perhaps the merger might come about from the grass-roots. But the difficulty is that each party has its own constitution, which makes a merger at grass-roots level difficult."

Inevitably, far from all local parties share such an unbridled belief in the virtues of a political

coalition, but activists of both parties are increasingly vocal on the practical need for change, particularly in the selection of candidates, if the partnership is to continue in a viable form.

Although the acrimony over the original allocation of seats evaporated during the four weeks of joint campaigning in the election, there is near unanimity that if the controversial share-out remains basically unaltered for the next election, Liberals must have an equal say in the selection of Social Democrat candidates, and vice versa.

With the bonhomie created in hundreds of election committee rooms up and down the country between the two parties continued in joint jumble sales and fund-raising events, the pressure for change is unlikely to decrease.

"I think there will be a merger at the bottom," says Mr. Jeff Roberts, who contested Hackney, South London, the Liberals, even though an SDP MP was also standing. "The leadership won't be able to do anything about it. A merger on those lines will be unstoppable because goodwill is there. But I think Dr Owen will do everything he can to stop it, because it will disadvantage him and his parliamentary colleagues."

Richard Evans

David Watt

# Mrs Thatcher's box of gimmicks

There is something peculiarly forbidding about a collection of people gathered together for no reason except membership of the same profession. Congresses of funeral directors, quantity surveyors, clergymen and protocolists abound these days and are no doubt useful, as well as congenial, jamborees. But one cannot help imagining the conversation at breakfast in the Congress Facility of the Excelsior Motel somewhere off the M Umpteen, and shuddering.

I fear that my first reaction to the gathering in London last Friday of Mrs Thatcher and a number of other conservative leaders from around the world was of this kind ("Marmalade please, Helmut. And, my dear, you should see my money supply figures"). But it seems that this was no idle get-together for the exchange of professional chit-chat, but the launching of a new international movement, a crusade, "a great dominion of mind and spirit" (to quote Mrs Thatcher) and was graced by the presence not only of the Prime Minister, but of the German Chancellor and the Vice-President of the United States, all spouting high-flown platitudes at a most impressive rate.

The International Democratic Union, thus inaugurated, is a curious body with a curious history. It is the offspring of the European Democrat Union, set up on a British initiative in 1978 with the idea of bringing about a common conservative front in the European Parliament. This didn't really work. The German Christian Democrats and the Danish DKF became members of the EDU along with a number of centre-right parties from non-EEC countries such as Austria, Finland, Norway, Portugal and Sweden. But the German CDU refused to sit in the Parliament with the Conservatives, and Belgian, Dutch and Italian Christian Democrats refused to join at all on the valid ground that their specifically Catholic element and moderate, pro-trade union economic views made them unsuitable bed-fellows for the likes of Thatcherite Conservatives.

What has happened instead is that a much looser, vaguely consultative grouping, defined essentially as "anti-socialist" and based in Vienna has developed and attracted interest from non-European parties such as the Australian Liberal Party, the New Zealand National Party and the American Republicans. More recently, the Japanese Liberal Democrats and the American Democrats, started to circle round, in order to accommodate these odd interlopers without disrupting the European organization, a parallel Pacific Democrat Union was started in 1981 and the growing umbrella organization, the IDU opens its doors this month. It will be run from Conservative Central Office and its secretary is the executive secretary of the Conservative Party's International Office.

What on earth will it do? Well, according to Mrs Thatcher's speech last Friday, an association of parties, as opposed to governments, offers "a real and new opportunity in the future for creative statecraft", which apparently means a chance to spread the ideas of democracy across the world. How? By propaganda; by combining in the United Nations; and by bringing economic prosperity to the developing countries. It is not immediately apparent

how a party (as opposed to a government) can export prosperity, or indeed what is so distinctive about spreading the ideas of democracy. The "Declaration of Principles" which the conservative luminaries signed on Friday has had to be couched in such banal terms in order to accommodate all the parties involved that it could be subscribed to in almost every particular by most members of the Labour Party. The signatories note, for instance, their "common conviction" that democratic societies provide individuals throughout the world with the best traditions of political liberty.

This is pretty tame stuff and the only interesting question is why Mrs Thatcher is pressing it so enthusiastically. After all, it is not without its dangers. The American Republicans are already, it seems, talking about support for "democratic" parties in Central America - a matter which seems likely to raise what might politely be called "definitional problems".

More fundamentally, it seems to me that the liberal-conservative package that Mrs Thatcher bought from Hayek, Friedman and Sir Keith Joseph cannot stand a lot of theoretical unwrapping at this time. Its main shortcoming - that is, its lack of an adequate moral justification - has been cruelly exposed by the crisis. The man in the street, while he will (to judge by the British election results) put up with unemployment for the time being as an unpleasant act of God, shows no signs of doing what theory would require and accept the injustice of it as the necessary price of freedom. There is a fundamental tension between Mrs Thatcher's call for patriotism and a sense of community based on the family on the one hand, and the selfish and acquisitive attitudes encouraged by a free market on the other. The mere addition of the words "socially orientated" to the words "market economy" is not enough to bring the two ideas into harmony.

The fact of the matter is that the only form of conservatism that is currently good shape, because it is the only one to have stood up to the severe practical test of the last five years, is provided by Japanese society - a conservative form of corporatism. The trouble for Mrs Thatcher is that Japanese corporatism, like all other forms of corporatism, is supposed to be at the opposite theoretical pole from Mrs Thatcher and ought to be anathematized by her, instead of being admitted to her International Democratic Union as happened last Friday.

Here, presumably, is the justification for the IDU. Like the Socialist International, it packages a number of very different parties in the same box, it thereby creates an (almost wholly spurious) impression of unity and momentum and presents the Prime Minister as one of the leaders, if not the leader, of a great international movement. It also has the beauty of flexibility. If the Christian Democrats had had a clear success in the Italian elections this week, it would have been further conclusive evidence of the centre-right tide sweeping through the democracies. The disaster that actually occurred is naturally due to the very different circumstances of Italy. In other words it is a useful gimmick. Meanwhile, the real crisis of conservatism goes on around us.

Philip Howard

# Wanted: a print-out with a happy ending

Some of my best friends are publishers, but... I wish that they could devise a simpler way of paying authors their royalties. Philip Howard Wallace said that publishers should never commission journalists to write books, because disappointment lay in store for both parties. Either the book took the advance royalties, and was so mesmerized by the distance ahead of the deadline that he never delivered. Or he did deliver, and was disgruntled not to be paid, having forgotten about the advance and spent it years before.

The new royalty forms are so complicated with VAT numbers and obscure percentages about export deals that your average hack can make neither head nor tail of them. All you can say for certain is that royalties always arrive late and smaller than expected. All you can do is have a publisher you can trust not to cheat you (like mine, dear boys and girls at Garden House, like mine, I hasten to type), or have an agent to check the forms for you. And who needs a literary groupie to take at least 10 per cent of his modest earnings?

It has become a platitude to grumble about the obscurity of the PLR registration forms. It is their competence that worries me now. I have now received back a computer print-out of titles that have been registered PLR. At the bottom the sage machine has typed the not exactly inspiring message: "Please note that there may be minor inaccuracies or omissions in the title / contributor / Publisher and/or year column. Any such errors should be ignored."

Well, that is all very well, dear old computer. I do not greatly grumble if a minor inaccuracy has misread my *A Word in Your Ear* for Barbara Cartland's *A Virgin in Mayfair*. Because I might win on the exchange. But suppose that a minor inaccuracy has mistaken my book for *A Word in Yorkshire*, privately printed at a vanity publisher, print-run of 75? I shall feel robbed.

Confidence is not restored by the accompanying letter, asking me to sign yet another form and asserting

that my PLR author number is 004646. However, the PLR author number on the computer print-out is 004676. I don't mind if they have confused my number with M. M. Kaye's or John Le Carré's. But suppose that the computer has muddled my number with that of a part-author of a worthy but impossibly obscure work of sociology from Keele University. Presumably, the author's nervous about money, always latent, flares up over PLR.

It is not assuaged by a vast and impertinent form from an American publisher, asking such jaw-sagging questions as, "Can you suggest any current topics peripheral to that of your book which you would be able to address during an interview?" The question that seemed improper was the one asking for friends who are critics or literary editors for American papers, to whom the book might be sent, provided there is a reasonable chance that they will mention it in their publications. That is called log-rolling in the trade, and should be avoided by reputable critics.

While ladling butter from alternate tubs  
Stubbs butters Freeman, Freeman butters Stubbs.

The only hope, I think, is to write a romantic novel that will win the Trask Prize. You remember, Betty Trask, the great and good writer of ghostly love stories, left enough money to give a sum not unadjacent to £40,000 a year for romantic fiction. Even now Angela Carter and Martin Amis are rewriting the endings of their next books. The Trask Prize may change the direction of the British Novel.

The difficulty is, what is a romantic novel? Those in the trade define it as one with a happy ending. The prudent man certainly refuses to judge it, or indeed any, literary prize. But he can at least give writing it a whirl. Some work of soppy note may yet be done. Excuse me: "I worship you", he said against her lips. The trouble is that you have to believe in the rubbish to write it well.





P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

## THE DEATH RITUAL

Murder is not an isolated event. The sensations aroused by any crime, and most of all by murder, the hunt for the criminal, the public's absorption in the trial, all show that this most evil of crimes lights a flame of response in all members of society. The wickedness of others kindles some evil in the hearts of us all, drawing us with it. When crimes mount up, this flame of evil glowers in the moral indignation which mounts with them, and the one evil becomes matched by the other. Action calls up reaction. The reaction to the crime of murder all too often calls up a demand to exterminate the source of evil by a public act of expiation, as though the majesty of the law, the solemnity and finality of a death sentence could somehow dispose of the evil once and for all. That it cannot do.

Parliament is again about to debate the principle of the death penalty for murder. The positions of principle on either side are clear enough. You can believe that no society should ever adopt the practice of judicial killing as one of its measures of punishment. You can equally believe that judicial killing is the very hallmark of civilization, giving the state, in its cool bureaucratic way, the duty to reaffirm society's cohesion when its unity has been violated so absolutely by the taking of life within it.

The flux of debate is well within these principles. There are three distinct strands to the question. They concern first the death penalty's deterrent power to reduce the incidence of murder; secondly, the real nature of judicial killing as a punishment; thirdly, society's need to feel satisfied that the authority of the state is able to protect it from murderers.

We have already argued that the death penalty is unlikely to work as a deterrent for most terrorist murders, certainly among would-be martyrs of the IRA. That probably applies also to the zealots of other terrorist organizations whose passion for a cause shows little respect both for the lives of innocent people who get in their way, and for their own lives in the pursuit of that cause.

The discussion of the deterrent effect of the death penalty should not be relegated to a

marginal role, however. If the evidence could be adduced to show that it really worked as a deterrent for murder, and that its abolition had led to a great increase in the kind of murder which would previously have been inhibited by the deterrent shadow of the gallows, that would materially affect the grounds for deciding whether or not to reintroduce capital punishment for certain types of murder.

The evidence remains inconclusive. It cannot be argued that the death penalty - though it must to some extent be a deterrent to some would-be murderers - would so noticeably affect the statistics of murder that its reintroduction would provide a sufficient and sustained reduction in the incidence of murder.

What then of the punishment? It does not matter to the argument whether it is the rope, the rifle or the needle. It is condign all right. It is absolute. But it is soon over. It is limited to the period between conviction and execution. The public's desire for retribution thereafter falls fully and cruelly not on the convict but on his family. It is arguably thus a lighter punishment for the criminal and a heavier one for his family than any long prison sentence would be.

Yet the strength of the desire for retribution must be recognised though it is obviously not uniform throughout society. Our system of justice must contain a strong retributive element. It is not just the pressure for restoration of the death penalty which suggests that the retributive side of justice has become dangerously neglected in favour of the pressure for penal reform and the rehabilitation of offenders. There is a feeling that the political culture pays more attention to what is happening to prisoners than to their victims. Has the prison regime, at least in spirit, got out of line with society's need to feel that sufficient attention is paid to the necessity for retribution?

Overcrowding in prisons is now so acute that it would be hard to argue that prison life is not penal enough for most prisoners. Deprivation of liberty is palpable to anybody who has suffered it. Yet these disadvantages prey less on the convicted

murderers, both because the length of their sentences may soon inure them to discomfort, and because many murderers come to mould their prison lifestyles and their fellow prisoners to their particular needs.

We have to recognise therefore that the pressure for restoration springs not just from society's desire for an unequalled and absolute revenge. It springs from a profound and expanding suspicion that there is too little relative retribution left in the punishments meted out to murderers.

There is some misunderstanding here, since the punishment for murder varies considerably according to administrative decisions and judges' recommendations. It cannot be argued that all murderers must be considered beyond redemption. Some are worthy of rehabilitation. Society must not reject the idea that some cases of murder can eventually become technically "forgivable". To argue otherwise would be to argue that all cases of murder merit a life sentence, as applied, for instance, to Rudolf Hess; and who still thinks that that old man still deserves his fate?

The punishment for murder must be a long sentence and must be seen to be a long sentence, served in conditions of austerity, to say the least. Perhaps we cannot nowadays contemplate a Devil's Island for murderers but we should also be saved from the suspicion that murderers - however heinous their crime - are likely to be allowed out of prison in the end. There are some murderers now in our prisons of whom it should be said that they will never, never, never be free.

Armed crime is an adjunct to murder which should inhibit the same climate of stringent retribution and austerity of sentence. Only then may society's instincts be sufficiently palliated to check the demand for restoration of judicial killing. Such an act would not, of course, reduce the criminality of that which had provoked society to this response. However, at the heart of the death penalty and all its judicial panoply there would still lie an act of ritual violence far out of proportion to the threat posed to society. It should not be restored.

## THE PYM FACTOR

How much notice will Mrs Thatcher need to take of Mr Francis Pym? He demonstrated what an accomplished parliamentarian he is when he addressed the House of Commons on Wednesday for the first time since his dismissal as Foreign Secretary. He may not have been effective as a departmental minister, but as a House of Commons man he has few superiors. His speech was dignified, arousing sympathy but not overly courting it. He expressed his loyalty but not to the point where it could be taken for granted. He issued a warning, but not in such openly mutinous terms as to be classed as a rebellion.

He poses potentially a more formidable threat to Mrs Thatcher than such dissidents as Mr Heath or Sir Ian Gilmour have ever done. Mr Heath has always been too obvious in his resentment; nobody was ever likely to believe that he was acting more in sorrow than in anger. Sir Ian has always seemed more suited to an elegant and principled protest than to mounting an effective rebellion. Mr Pym is more prudent than Mr Heath and tougher than Sir Ian.

But the threat that he poses is only potential. He gave Mrs Thatcher full and deserved credit for the election victory, and he made it clear that he was not calling for any change in the substance of policy at home or abroad. He did not suggest that there was any magic cure for

unemployment, but he asked - as others have asked before him - for greater sensitivity towards the unemployed. He did not demand any alteration in the objectives of British foreign policy, but he proposed that the Government should start talking directly with the Soviet Union as a means of achieving these goals. This would be a change of method rather than of substance, but an important change nonetheless. Above all, he was warning Mrs Thatcher not to interpret her election triumph as a licence to be harsh or extreme.

Mr Biffen may have given an impression of reinforcing that warning when he wound up the debate. It is not an accident when a senior minister uses such Conservative code phrases as "a sense of continuity that is the hallmark of British public life". This followed a more explicit statement by Mr Biffen last week that the new Tory majority will not mark an increase in the ideological tempo.

But it is far more likely that Mr Biffen was sending a message not to Mrs Thatcher but to the Conservative Party and to the country. He was in all probability not telling her that she should be careful, but telling us that she would be. That would accord both with the style of her election campaign and with her reshuffling of the Cabinet. In neither respect has she shown much evidence of preparation

for a sweeping programme of radical reforms.

It is only if Mrs Thatcher runs into trouble that Mr Pym's potential threat is likely to become an actual one. The magnitude of her election victory should not be obscured by statistical comparisons between the proportion of the total vote won now and in 1979: there were a number of Conservative supporters who felt it safe this time to indulge in the luxury of a vote for the Alliance. Her personal authority dominated the campaign and will remain preeminent in government.

Mr Pym is not offering an alternative policy, merely an alternative attitude. That will not be enough to weaken Mrs Thatcher's control unless things go seriously wrong for the Government. Politics is an unforgiving occupation, however, and if in one and a half to two years' time the economic revival has petered out, unemployment is still rising, the unions are less docile and public hope is fading, then the Prime Minister will know that behind her on the Conservative benches there is a critic with the parliamentary skills to mount a rebellion and no sense of personal obligation to dissuade him from doing so. But that is a risk that she took deliberately when she sacked him. It is a risk that could make the consequence of policy failures more serious, but will not diminish the effects of success.

## Military degree

From Colonel J. F. Williams-Wynne  
Sir, Your correspondent, Mr Michael Davis (June 25) suggests that a knowledge of Russian, and possibly even Chinese, should be included in a military degree course.

Surely Brig-Gen Costello, VC, was nearer the mark when he taught us at military studies at Cambridge in the twenties to learn all that we could about the behaviour, not the languages, of foreigners, so that in the event of war we might know what to expect.

It is nearly 60 years ago now, but I seem to recall that he regarded it as equally important to find out all we could about possible allies as well as likely foes.

Yours faithfully,  
John Williams-Wynne,  
The Estate Office,  
Penarth,  
Merioneth.  
June 28.

## Work for unemployed

From Mr Ansel Z. Harris  
In his Budget on March 15, the Chancellor announced the extension of the enterprise allowance pilot scheme. This further encouragement of the business start-up represented additional stimulus to our activity and was greeted with such enthusiasm that more importantly, it was applauded by the potential beneficiaries: the unemployed who are repaid to forgo their unemployment pay and supplementary benefits, for the £40 per week enterprise allowance. Sir Geoffrey Howe indicated that the nationwide scheme would commence on August 1, 1983.

Since the announcement, disillusion and disappointment have been and have further tarnished the name of the Manpower Services Commission. It was only during the week commencing May 9 (eight weeks after the announcement) that brief leaflet on the scheme was made available from the Jobcentres.

## It confirmed that "the scheme will commence from August 1"

And to date, 14 weeks after the first announcement and only six weeks before the scheme is scheduled to start, no further advice is available for those for whom it is intended (nor for those who, like ourselves, have volunteered to help with the screening and counselling, hence accelerating the process). MSE Sheffield advise me, after persistent questioning, that "it will be all right on the night". A suitable response, perhaps, in the theatre, but not in the real world.

The enterprising unemployed need more immediate action and further information if the Chancellor's intentions are not to be frustrated.

I am, Sir, yours faithfully,  
ANSEL Z. HARRIS, Director,  
Berkshire Enterprise Agency,  
The Old Shire Hall,  
The Forbury,  
Reading,  
Berkshire.  
June 25.

## Independent way with prosecutions

From the President of the Prosecuting Solicitors' Society of England and Wales

Sir, This society cannot but be gratified at the Government's commitment, announced in the Queen's Speech, at least to the preparation of proposals for the establishment of an independent prosecution service. There is, however, no commitment to legislation within the next five years or even, if the Government intends to introduce legislation, surely the information to enable it to do so is already available.

It is intended, when the present Home Office working party reports, to publish a working paper, thereby ensuring that no positive proposals will be made until ample time has elapsed for that working paper to be fully discussed and considered.

The working party has already produced, in December, 1982, a discussion paper and substantial discussion, written observations and meetings have taken place since then.

Before the working party was set up, the Home Office issued a consultative memorandum on the report of the Royal Commission on Criminal Procedure and they were supplied with further facts, views and opinions at that time. The royal commission itself took over two years and received written and oral evidence from every body of persons with an interest, however remote, in the topic.

One hundred and four years ago, when the Prosecution of Offences Bill, 1879, was debated in the House of Commons, Mr Assheton Cross said:

If ever there was one single subject brought before the House with which the House has not proceeded in a hurry it is the question of a public prosecutor... We have had a royal commission and a committee appointed and we have had no doubt investigation that could be suggested in order to enable us to come to a conclusion.

Little seems to have changed. The present state of uncertainty is already hampering recruitment in existing prosecuting solicitors' offices and no doubt operating as a further reason for postponing the setting up of departments in those counties where no office exists.

May we be given, at an early date please, at least a provisional timetable for the promulgation, enactment and bringing into effect of legislation?

Yours faithfully,  
MICHAEL J. ROSE, President,  
Prosecuting Solicitors' Society of England and Wales,  
Belgrave House,  
47 Bank Street,  
Sheffield.  
June 27.

## Ghana's legal system

From the Acting High Commissioner for Ghana

Sir, The AFP report which you captioned "Ghana sets up new law for the people" (June 27) creates the erroneous impression that the Provisional National Defence Council (PNDC) has "proclaimed" new laws and replaced the nation's traditional legal system.

The Ghana High Commission deeply regrets the fact that the pleas of a meeting of workers in the Accra-Tema metropolitan area should be given the aura of a governmental pronouncement. Even though one would concede that the call of workers stems from the popular awareness of certain shortcomings of the nation's legal structure, the PNDC is fully aware that any precipitate action taken without a proper analysis may not necessarily achieve the required results, namely a more effective and dynamic judiciary.

It must be emphasised that the National Defence Committee which co-ordinates the activities of the various community or workers' defence committees is to issue a statement on the resolution soon.

Meanwhile, the Attorney-General has categorically denied that the office of the Chief Justice has been abolished. In addition he has refuted the claim that the Judicial Council has been dissolved.

Yours faithfully,  
J. K. DAVIES,  
Office of the High Commissioner for Ghana,  
13 Belgrave Square, SW1.  
June 28.

## Taxing allowances

From Mr Charles King-Farlow

Sir, Mr John Herbert's letter (June 22) about taxing teachers' allowances for travelling to attend school functions outside normal working hours is disturbing.

A few years ago, sitting as a general commissioner in Birmingham, I heard what was presented as a test case over such allowances. Miss Williamson's appeal against assessments to income tax on her allowances was allowed by the general commissioners but the Revenue appealed to the High Court.

Mr Justice Walton gave judgment on October 30, 1981 and took the opportunity to suggest that the matter ought not to have been brought before him, with references to nuts, sledgehammers and persecuting minnows. Mr Herbert should ask his Inspector of Taxes for a copy of the judgment in *Donnelly v Williamson*.

As the judgment records, the case was presented as a test case. The Revenue should therefore be continuing to treat these allowances as taxable emoluments. If the Revenue are appealing to the Court of Appeal a "protective" assessment might be justified, but the taxpayer should be told if he is being assessed not in accordance with the law but as the Revenue would like it to be.

Yours faithfully,  
CHARLES KING-FARLOW,  
8 Vicarage Road,  
Edgbaston,  
Birmingham.  
June 24.

## Taking care of the terminally ill

From the Duchess of Norfolk

Sir, In your report of June 17 on private health you remark that the burden of looking after Britain's "medically neglected", in which you include the terminally ill, has been tackled successfully by neither the National Health Service nor the private sector.

Independent hospices, specialising in terminal care, do in fact tackle the problem with widely recognized success, acknowledged by ministers and demonstrated by the remarkable level of public support for setting up more. At present there are 34, providing twice as many beds as the equivalent NHS units, mostly within general hospitals. At least 12 are nearing completion.

I have yet to meet any visitor to an independent hospice who has not been deeply impressed by its quality of care. Their particular skills in dealing with pain and bringing peace of mind to patients and their relatives in a tranquil and "family" environment are seen by the public as quite distinct from the care in a busy general hospital concentrating on cure.

As cooperation between health services increases under government policy, care for the terminally ill in their homes, the form of care most economical and often most satisfactory for the patient, will, one hopes, expand. Home care must be backed by in-patient resources. Independent hospices, in spite of some haphazard

growth calling in future for better coordination, are clearly well qualified to contribute. Increased training in terminal care throughout the health services, another prerequisite for expansion and the major purpose of our current appeal, will remain an important hospice function.

Terminal cases in independent hospices, usually advanced cancer, are all NHS patients. Yet most recently established hospices receive no significant NHS support towards running costs. The public, who give generously in community efforts to set their hospice up, not unreasonably feel that the NHS, since it fills the beds, should either pay contractually for their use, enabling the hospice to budget for running costs, or at least should contribute substantially to them. Health authorities rarely meet these expectations.

In consequence a number of hospices are struggling to survive. Some have to operate below capacity, although only one of Britain's 16 health regions approaches the level of terminal care reckoned to be required. There is a need for a clear and consistent financial basis on which hospice planning, from the domestic to the strategic plane, can go forward. Public support may otherwise be followed by damaging disillusion.

Yours sincerely,  
ANNE NORFOLK,  
St. Joseph's Hospice,  
Hackney, E8.  
June 29.

## Open Charter

From Mrs Zdena Tomlin

Sir, As you stated in your leader of June 27 Charter 77, the unofficial Czechoslovak movement for human rights, "acts openly and legally as a citizen movement", not as a political opposition.

In a remarkable interview, given a few days after his release from prison hospital, the playwright and Charter 77 protagonist, Václav Havel, said: "I am neither a Communist nor an anti-Communist. If I criticise my Government, then I do so not because it is Christian democratic or any other government and would it govern badly, I would criticise it in the same way as our present one. I don't take sides with an establishment; I am simply on the side of the truth against the lie, sense against nonsense, justice against injustice."

Although this is an individual statement, it sums up the position of Charter 77 very precisely: it is not an easy position; it is a complicated, necessarily ill-balanced, and often cumbersome position, but certainly not one of naive or empty gestures. It is a position of social responsibility carried out by individual citizens; in that sense it is strongly anti-totalitarian. The strict non-anonymity of Charter 77 (names of all Charterists are regularly published in *Charter 77 Bulletin*, all documents are signed and supplied with addresses of the movement's current

spokesperson) is an important part of this responsibility.

The letter of Charter 77 to the Prague Peace Assembly, signed by the movement's spokesman, was not published in the British press. Maybe the recent voice of Charter 77 does not quite fit into the "dissident image"? Let me quote from the letters:

True peace will not be reached without trust and will not exist as long as the particular interests of various establishments play a bigger role in politics than the true wellbeing of all people, all nations and the whole world. But this basic and deep responsibility for mankind... will probably not win its place in the thoughts and considerations of states, governments and especially of the superpowers until thousands and millions of ordinary people of good will force them to accept it...

We understand the present peace movement as one of the attempts to make an essential change in the orientation of today's mankind. Therefore we are... open to dialogue and cooperation with the peace movement, welcome it and feel bound to it with the same basic will towards a better world.

All Charter 77 statements on peace and disarmament are available in a booklet, *Voices from Prague* (published jointly by Palach Press and END) which also includes other controversial essays by individual Charter 77 signatories.

Yours truly,  
ZDENA TOMLIN,  
50 Midway Road, N1.

## Degrees of security

From Professor G. C. McVittie

Sir, The security methods at Government Communications Headquarters (GCHQ) have recently been much commented on in the public press. The following incident may throw further light on these methods.

Some eighteen months ago the Government released to the Public Record Office the World War II daily weather charts covering enemy-held Europe. The data plotted on the charts were obtained by reading enemy meteorological cyphers at Bletchley Park, work of which I was in charge throughout the war. There was also released a file containing many of the reports I had written to the deputy director of the Meteorological Office about the cypher-breaking process.

A year ago the editor of the

*Meteorological Magazine* asked me to write an article on the acquisition of these weather data. It obviously would have to follow the contents of the reports. It was completed by the end of 1982 and was accepted. However, last month a brief letter from the editor stated that GCHQ had forbidden publication of the article.

By way of explanation I was sent an extract from a speech made in Parliament by Dr David Owen in January, 1978. A main point made was that cypher-breaking methods used in WWII were not to be revealed. The Conservative Government, by their release last year of the file, evidently disagreed with Dr Owen because the reports do contain brief accounts of cypher-breaking procedures.

Yours faithfully,  
G. C. McVITTIE,  
74 Old Dover Road,  
Canterbury, Kent.

## Residents' rights

From Councillor Arthur Johnston

Sir, Your article on June 23 about the control of the leasehold houses in Trevor Square, in Knightsbridge, over the heads of the occupiers, who were eager to purchase themselves, highlights the point again that private tenants and leaseholders at all levels of income are not so well protected as council tenants.

Something like 50 per cent of households in Westminster are in the private rented sector. Escalating rents are driving these long-standing residents out of central London. Their homes are then being occupied by companies or foreigners on short-term lets. The population of Westminster fell by 20 per cent between 1971 and 1981 and that of

Kensington and Chelsea by 26 per cent.

A government committed to the property-owning democracy could control the escalating costs of living in inner London and the drift of population by amending the Leasehold Reform Act.

The right to purchase their freehold or acquire a 99-year lease should be extended to all rented houses. It would be only just to give flat dwellers the right to acquire long leases of their flats as well and jointly to purchase the freehold of their buildings.

Yours faithfully,  
ARTHUR JOHNSTON,  
Westminster City Hall,  
Victoria Street, SW1.  
June 24.

## Need for consultation

From Mr G. F. Hancock

Sir, I was alarmed to read from Sir Peter Parker's letter (June 20) that British Rail is in the business of consultancy. Does he not risk giving us consultants a bad name?

On the computer line on which I travel trains are either late, staffless or not there at all. The rolling stock is grimy, outdated, uncomfortable and overdue for retirement. At the first touch of frost our points freeze up; and the arrival of summer is marked by a fire at Clapham Junction.

How often have we commuters waited on freezing platforms for non-existent trains, to be faced in the evenings with Sir Peter and Mr Ray Buckton safely delivered by chauffeur-driven cars and arguing it out in warm studios. A trouble-free return journey in the evening is a subject for family commentary.

Under such circumstances, a foreign railway accepting consultancy services from British Rail would need to have its ball bearings examined.

Yours sincerely,  
G. F. HANCOCK,  
31 Old Burlington Street, W1.  
June 21.

## Children and TV

From Mr Lawrence James

Sir, Lucky the child who spends 7,300 hours watching television (Mr John Pearman, June 27). Whatever his other failings he will not, I hope, fill out his "active and passive vocabularies" with such ugly and obscure jargon as "subtext", "print media", and "word-based conceptual skills".

If such words and phrases are the common currency of the child's teachers then it is understandable that he should be driven to the television screen. Seated before it, he may over the long hours come to appreciate, among other things, the need for simplicity, clarity and logic in argument.

As a result he might not, for instance, state baldly that the ambience of two television programmes is "Conservative", offer no supportive evidence, and then pass on in a classic non-sequitur to another marginally related matter.

Yours faithfully,  
LAWRENCE JAMES,  
The Terrace East,  
Main Street,  
Sedburgh,  
Cumbria.  
June 27.

## Threat to vital overseas aid

From the Chairman of Oxfam

Sir, Your recent leader on the scientific units which are part of the official aid programme ("Scrutiny of the scrutineers", June 20) appears to have fallen on deaf ears. The Foreign Secretary is shortly to confirm to Parliament the cutbacks in this, perhaps the most effective part of Britain's overseas aid.

We in Oxfam are particularly concerned. We deal every day with people whose lives, crops, or livestock are blighted by bilharzia, tsetse flies, termites, rats, or brown plant-hoppers (a major rice pest). The projects we finance involve a whole spectrum of subjects covered by the scientific units - malaria control, refugee camps, cotton, charcoal, milling, pepper, pesticides and medicinal herbs.

We therefore know at first hand the value to people in the Third World of the work of the Centre for Overseas Pest Research and the Tropical Products Institute (as they were called before their recent merger). The work of these units had already done much to reduce disease, poverty and hunger, and there is much more work in the pipeline.

The COPR and the TPI may have had their roots in empire, but by a quirk of development they turn out to be one of the leading edges of today's aid programme. The "bank" of expertise, contacts and credibility they have built up over the years gives them the capability of bringing significant improvements to many millions of poor people during the rest of the century.

The cost to Britain is minimal - £6.7m in 1982-83, most of it spent in Britain or on British people abroad so that the foreign exchange cost is even lower. That is less than 1 per cent of the aid programme: not much for units whose work is totally appropriate to Britain's real aid programme of more help to the poorest.

It is surely not too late for the Government to think again. Let us hope that the new Foreign Secretary will heed the needs of many millions of poor people whose suffering will be prolonged if the cuts go ahead.

Yours faithfully,  
GEOFFREY WILSON, Chairman,  
Oxfam,  
Oxfam House,  
274 Banbury Road,  
Oxford.  
June 29.

## Logical positivism?

From Mr Toby Mason

Sir, I imagine few people realise quite what an excellent all-round test of ability GCE A levels are. On Monday, June 20, I sat a "Literature and civilization" paper as part of my Latin exam: the instructions to the candidates were one of the best tests of logic and clear-headedness I have ever come across: "Answer five questions in all. Answer at least two from section A and at least one from section B."

"Fair enough", thought I, resisting the impulse to draw a quick Venn diagram to make sure I had it straight, and turned to section A.

"Answer at least two questions from this section and not more than four. Choose questions on at least two topics. Answer at least one odd-numbered question and at least one even-numbered question. Do not answer more than two questions on any topic."

Section C had the added attraction of asterisks, for those who had complacently thought they might have understood section A.

As I sat there scratching my cranium and trying to devise a Venn diagram ingenious enough to include all the necessary elements, I marvelled at the wisdom of the examiners, who had managed to include a searching test of logical thought in a paper ostensibly about the *Aeneid* as the epic of Rome.

Yours sincerely,  
TOBY MASON, Prefect of Hall,  
The College,  
Winchester,  
Hampshire.  
June 27.

## Colour conscious

From Mr Roger D. Hurrell

Sir, Mr Richard Need (June 23) claimed the colours of caravans painted white, cream, mustard-yellow, powder-blue and knicker-pink (whatever that is) to be anti-social. He suggested, instead, dark greens or camouflage.

When caravanning in the countryside I have been struck by the visual impact of white roses, cream elderflower, yellow daffodils, bluebells and pink (though perhaps not "knicker") carnations.

I have also observed armoured cars and other camouflaged vehicles. There is no doubt which I would call anti-social.

Yours faithfully,  
R. D. HURRELL,  
29 Stanton Road,  
West Wimbledon, SW20.  
June 27.

## Desperate measures

From Mr Raymond Durrant

Sir, I, too, like your correspondent, Mr Wheeler (June 28) was asked not to take a photograph at a railway station, but this was at Leningrad and not Stevenage.

However, when I explained to my Intourist guide that the photo was for the family album and not for the purposes of espionage I was told: "O.K., go ahead, but make it a quick one."

Perhaps Mr Wheeler should have pleaded his case with British Rail. Yours faithfully,  
RAYMOND DURRANT,  
195 Marshalswick Lane,  
St. Albans,  
Hertfordshire.  
June 28.





## COURT CIRCULAR

**ECLIPSE**

change, like that of the Sun mentioned above. The Moon will be at perigee, the nearest point to the Earth (diameter 0.554 of a degree), on the 11th, and at apogee, the farthest (0.494), on the 26th. Note how these figures compare with those for the Sun, a highly relevant factor in the nature and duration of solar eclipses.

The starry sky this month calls for little comment, save to point out that the two great triangles, Arcurus-Spica-Denebola and Deneb-Vega-Aldebaran, are above the horizon at the same time. The Persid meteor shower, although really belonging to August, can be watched for in the last week of this month. The radiant is low in the north-east, and will not clear the horizon much before midnight.

**Latest appointments**

Latest appointments include:

## Forthcoming marriages

ately Ambassador (non-resident) to  
Burundi, Rwanda and to the  
United Nations, and to the  
Bulgaria in succession to Mr G. L.  
Bullard.

Mr Anthony Frangell, deputy  
chairman of the Independent Broad-  
casting Authority until his retirement  
this week, to be a member of the  
board of Channel Four  
Television.

Mr J. Barlow, aged 45, BBC  
secretary to be controller, public  
affairs and international relations in  
succession to Mr John Cain.

Mr John Eccleston, aged 52, head  
of BBC production centre in  
Manchester, to be chief assistant,  
BBC regions.

Dr Keith Hampson, MP for Leeds,  
North-west to be parliamentary  
secretary to Mr Michael  
Heseltine, Secretary of State for  
Defence.

Mr Anthony Nelson, MP for  
Chichester, to be Parliamentary  
secretary to Mr John  
Banister, Minister of State for the  
Armed Forces.

Mr Nicholas Baker, MP for Dorset,  
North, to be parliamentary private  
secretary to Mr Geoffrey Faine,  
Minister of State for Defence  
Procurement.

Professor Adrian Mayer to be  
president of the Royal Anthropo-  
logical Institute in succession to  
Professor M. H. Day.

**Legal**

Mr D. A. L. Smoot, QC, and Mr R. A.  
Marder, QC, to be circuit judges  
on the South-eastern Circuit. Mr  
Smoot will undertake Official  
Recorder's duties in the

**SIR ALMERIC RICH**

Sir Almeric Rich, Bt, who died on June 29, aged 86, was a governor in the Prison and Borstal Service of singular achievement. Notably eccentric in his methods - he lived in a cell even when visiting establishments other than his own - he yet commanded great influence on those in his care, the staff who worked with him and throughout the borstal system.

Born on February 9, 1897, an only child, he was educated at St Paul's School. He served throughout the First World War in the Royal Garrison Artillery as a lieutenant. His postwar experience in the City and as a schoolmaster was unhappy and unsuccessful. It was not until he joined the Prison and Borstal Service in 1932, inspired by Alec Patterson, that he found his true vocation.

This was the heady period of the development of open borstals and he worked with its pioneer, W. W. Llewellyn, at Lowdham Grange borstal. He followed him to North Sea Camp borstal, near Boston, Lincs, to be governor there throughout the Second World War.

He was sent to open-up Huntercombe borstal, near Henley, in 1946. A brick-built camp, hastily constructed in the grounds of Huntercombe Place, to contain prisoners of war, required for interrogation (Lord

Nuffield a very reluctant night bours), it became under his governorship for 15 years a exciting experiment.

He accepted the prevalent, public school model — with a house system and emphasis on high personal standards and he the most unlikely youngsters through its exacting demand. Thus, deprived aggressively youths, with whom he was particularly affected, responded — to their surprise — to his expectations, even to the extent of performing in nativity plays at Christmas-time.

For Huntercombe was invested with his integrity a pervasive religious faith. I found it difficult to communicate his ideas, so led by person example. He was prepared, for instance, having placed a bet on punishment — stone picking in a vast windswept field — to perform the punishment himself, in fulfilment of the theory that you can only restore person when he is down if you are united with him by his side.

Humble but very demanding as he was, staff found that work with him was a confusing but exhilarating experience never forgotten.

He retired in 1966 having refused promotion, an maintained contact with a host of former charges. Huntercombe borstal remains a living memorial.

**MR EVAN CHARLTON**

Mark Dodd writes: E. M. Chitrakar, whose obituary you published on June 27, undoubtedly attained the peak of his career in India during his years as editor of *The Statesman*. But on his retirement the BBC's Eastern Service was fortunate enough to capture him, first as a writer on South Asian Affairs, and later to run its language services to India, the Hindi Service, and also the services in Tamil and Nepali.

As a writer he displayed a lucidity of style and mastery of his subject which lent themselves ideally to translation and to overseas broadcasting. He was to convey his written work and his writing and coached them towards professionalism with a gentle but sure touch.

As a programme organizer of these language services he demonstrated those qualities of leadership and compassion that made him so loved and respected in *The Statesman* offices in Delhi and Calcutta.

No one ever took the troubles to him. He allowed no spark of despair or imagination to wither. A programme idea was unargued.

While he was in charge the services greatly enhanced the reputation and his Him service, during Mrs Gandhi Emergency was widely recognised as the principal source of uncensored information available to the wider Indian public. He abhorred prejudice in all forms and was at home with people of all ages, faiths or nationalities.

He believed in India, in its potential and its progress. He believed in the British connexion, and it was in the light that he saw his work in the BBC. It was immensely fortunate for the Corporation, his colleagues who worked with him, and for his Indian or Overseas audiences that he did so. He was determined to keep his unique blend of talents in this second career.

**SIR WILLIAM LILEY**

Professor H. C. McLaren writes:  
I write to add a note to your obituary of Sir William Liley.  
In his teaching he always implied that from the moment of conception the mother's health must be preserved, but this also applied to the foetus whom he always referred to as "him" or "her" never "it".  
He had always a soft spot for mongols whom he considered to be "nice little people." It followed that he never accepted modern "search and destroy" techniques as therapy.

In Rhesus-isoimmunisation which can destroy the unborn blood he perfected intra-uterine transfusion as well as a method of telling us when to transfuse.

It followed that he consider all his professional life that the conception or baby in the womb was an individual.

With another distinguished gynaecologist, Dr Hugh Patri Dunn, he founded New Zealand's Society for the Protection of the Unborn Child, now with over 50,000 members.

## Birthdays today

Sir Mark Bromrose, 79; Sir Alan Campbell, 64; Miss Leslie Caron, 52; Miss Olivia de Havilland, 67; Lady Faulkner of Downpatrick, 68; Mr Hans Werner Henne, 57; Air Chief Marshal Sir Anthony Hewland, 65; Lieutenant-Colonel Sir John Hugo, 84; Lord Irving of Dartford, 63; Sir Joseph Latham, 78; Viscount Leverhulme, 68; Miss Jean Macdonald, 49; General Sir Thomas Pearson, 69; the Right Rev Dr V. J. Pika, 76; Miss J. Sadler, 56; Mr Peter Walwyn, 50; the Very Rev A. B. Webster, 65; Mr Dorion Williams, 69.

## Garden party

**Colonels Commandant**  
Colonels Commandant, Royal Engineers, active and retired, held garden party at the Royal Engineers Officers' Mess, Minley Manor yesterday.

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**St Ronan's School**  
St Ronan's School, Hawick, Kent, founded at Worthing, celebrates its centenary on July 16 and looks forward to seeing old boys and friends from 11 o'clock.

## St Ronan's School

St Ronan's School, Hawthornden, Kent, founded at Worthing, celebrates its centenary on July 16 and looks forward to seeing old boys and friends from 11 o'clock.

# Cambridge University tripos examination results

**H** H. P. Adams, Guelph and F. Parkin, A. A. Quinn, Cambridge, and John C. H. Wright, London. **I** I. A. Adams, Cambridge, and C. H. Adams, Cambridge. **J** J. Adams, Cambridge, and C. H. Adams, Cambridge. **K** K. Adams, Cambridge, and C. H. Adams, Cambridge. **L** L. Adams, Cambridge, and C. H. Adams, Cambridge. **M** M. Adams, Cambridge, and C. H. Adams, Cambridge. **N** N. Adams, Cambridge, and C. H. Adams, Cambridge. **O** O. Adams, Cambridge, and C. H. Adams, Cambridge. **P** P. Adams, Cambridge, and C. H. Adams, Cambridge. **Q** Q. Adams, Cambridge, and C. H. Adams, Cambridge. **R** R. Adams, Cambridge, and C. H. Adams, Cambridge. **S** S. Adams, Cambridge, and C. H. Adams, Cambridge. **T** T. Adams, Cambridge, and C. H. Adams, Cambridge. **U** U. Adams, Cambridge, and C. H. Adams, Cambridge. **V** V. Adams, Cambridge, and C. H. Adams, Cambridge. **W** W. Adams, Cambridge, and C. H. Adams, Cambridge. **X** X. Adams, Cambridge, and C. H. Adams, Cambridge. **Y** Y. Adams, Cambridge, and C. H. Adams, Cambridge. **Z** Z. Adams, Cambridge, and C. H. Adams, Cambridge.

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MARKET REPORT by Michael Clark

# US problems knock BOC

ACCOUNTANTS: Dealings began June 29. Dealings end July 1. Contango day July 4. Settlement day July 11.

The hoped for recovery in North America for BOC, the industrial gases and health care group, appears to be no nearer. Yesterday the shares tumbled 8p to 222p after a visit to brokers James Capel by Mr Richard Giordano, the group's American chairman, who has raised almost £150m for BOC on the market in the past year.

But even he was unable to offer much hope to analysts that BOC's trading problems were over. At best the group's recovery in the US, its most important market, remains mixed. As a result Capel is sticking with its original forecast of around £90, before tax for the current year against £112m last year.

Meanwhile, BOC is undecided about what to do with its stake in Mountain Medical Equipment. Following the Glasscock acquisition in January 1982, the 52 per cent of Mountain Medical and has now placed the investment bankers Burnham Lambert to advise it on Mountain's investment value.

The rest of the equity market rallied, inspired by the overnight performance on Wall

Street and the general feeling that the selling had been overdone. Among the leaders, Bechem recovered 6p to 356p after heavy selling earlier in the

Just two months ago Turkish businessman Mr Mehmet Tecimer and Mr Yalcin Akkoy of Waskon Establishment paid 8p a share for Fenton Hill's 75 per cent stake in Bellair Cosmetics. The share price responded with a leap to 200p and words of caution from the Bellair board, which said the high price was unjustified. Yesterday the shares closed 20p up at a new high of 285p.

Week rumours in the market suggest the drugs group is about to bid for the New Jersey men's toiletries group, MEM. Bechem says it never comments on market rumour. Elsewhere in blue chips,

Boots rose 4p to 267p. Cadbury Schweppes 3p to 111p. Distillers 5p to 245p. Dunlop 2p to 66p. Glaxo 12p to 900p. Hawker Siddeley 10p to 338p. Imperial Group 6p to 126p and Tate & Lyle 6p to 330p.

The FT Index ended the day 6.8 up at 720.7. But it showed little inclination to follow the lead of equities. Small gains of between 1/2p and 1p were reported in long, reflecting the firmer pound which closed 0.7 cents up at \$1.4345.

The Chancellor's hopes of cutting taxes produced a flurry of activity in the consumer sector. Retailers saw MFI rise 6p to 153p, British Home Stores 2p to 207p. Carrys Group 4p to 365p and J. H. P. Bulmer rose 5p to 315p. Whitbread 'A' 3p to 137p and Amalgamated Distilled Products with full-year figures due next week, added 7p to 162p.

Tunstall Telecom which makes communications equipment for the elderly, made a bright start on the Unlisted Securities Market. The 3 million shares offered by brokers Grieson Grant at a minimum tender price of 100p

Brokers Cazenove had to work for their money yesterday trying to place a line of 4 million shares in Standard Telephone & Cables at around 312p. This was probably responsible for the electrical sector's poor showing compared with the rest of the equity market. Shares of STC ended the day 2p lower at 314p.

were struck at 140p. The first price showed the shares trading at 151p, a premium of 11p. Wednesday's newcomer to the USM, CPU Computers, recovered from its nervous start to close at 133p, a 3p premium. Also making their debut

yesterday were shares of Pacific Gas & Electric, America's biggest gas and electric utility, which opened at £19p. The group is already quoted in New York and Los Angeles and has been brought to the London market by brokers Moore

Shares of Abwood Machine Tools were suspended at 9p awaiting details of the proposed capital reconstruction. Mr H. K. Chai, a director of Abwood, plans to reverse his previously owned licensed deposit taker, Barrie Vanger, into Abwood in return for 44 million Abwood shares. The deal values Vanger at £2.2m. Mr Chai intends to retain 27 million shares, while brokers Henderson Crosthwaite will place the rest with Far Eastern clients.

Earlier this year Mr Chai and his associates bought 33.9 per cent of Abwood. Mr Chai now owns 40.5 per cent of the ordinary shares and 42.5 per cent of the new shares and intends to bid for the rest.

RECENT ISSUES

Company	Price	Yield
Amgen (10p)	131.5	13.5
Amgen (5p)	131.5	13.5
Amgen (2.5p)	131.5	13.5
Amgen (1.25p)	131.5	13.5
Amgen (0.625p)	131.5	13.5
Amgen (0.3125p)	131.5	13.5
Amgen (0.15625p)	131.5	13.5
Amgen (0.078125p)	131.5	13.5
Amgen (0.0390625p)	131.5	13.5
Amgen (0.01953125p)	131.5	13.5
Amgen (0.009765625p)	131.5	13.5
Amgen (0.0048828125p)	131.5	13.5
Amgen (0.00244140625p)	131.5	13.5
Amgen (0.001220703125p)	131.5	13.5
Amgen (0.0006103515625p)	131.5	13.5
Amgen (0.00030517578125p)	131.5	13.5
Amgen (0.000152587890625p)	131.5	13.5
Amgen (0.0000762939453125p)	131.5	13.5
Amgen (0.00003814697265625p)	131.5	13.5
Amgen (0.000019073486328125p)	131.5	13.5
Amgen (0.0000095367431640625p)	131.5	13.5
Amgen (0.00000476837158203125p)	131.5	13.5
Amgen (0.000002384185791015625p)	131.5	13.5
Amgen (0.0000011920928955078125p)	131.5	13.5
Amgen (0.00000059604644775390625p)	131.5	13.5
Amgen (0.000000298023223876953125p)	131.5	13.5
Amgen (0.0000001490116119384765625p)	131.5	13.5
Amgen (0.00000007450580596923828125p)	131.5	13.5
Amgen (0.000000037252902984619140625p)	131.5	13.5
Amgen (0.0000000186264514923095703125p)	131.5	13.5
Amgen (0.00000000931322574615478515625p)	131.5	13.5
Amgen (0.000000004656612873077392578125p)	131.5	13.5
Amgen (0.0000000023283064365386962890625p)	131.5	13.5
Amgen (0.00000000116415321826934814453125p)	131.5	13.5
Amgen (0.000000000582076609134674072265625p)	131.5	13.5
Amgen (0.0000000002910383045673370361328125p)	131.5	13.5
Amgen (0.00000000014551915228366851806640625p)	131.5	13.5
Amgen (0.000000000072759576141834259033203125p)	131.5	13.5
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## Investment and Finance

City Editor  
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THE TIMES

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## STOCK EXCHANGES

FT Index: 720.7 up 8.8  
FT 1000: 52.07 up 0.13  
Baltic: 23,029  
Dow Jones Industrial: 97.89 up 0.34  
Tokyo Nikkei: Dow Jones index 8870.95 up 26.76  
Hong Kong Hang Seng index 984.35 up 23.25  
New York Dow Jones Average (latest) 1218.85 up 5.01

## CURRENCIES

LONDON CLOSE  
Sterling \$1.5340 up 65pts  
Index 84.3 up 0.4  
DM 3.8650 down 0.0150  
FF 11.6050 down 0.0550  
Yen 364.25 down 1.25  
Dollar  
Index 124.8 down 0.1  
DM 2.5380 down 55pts  
Gold  
\$416 up \$1  
NEW YORK LATEST  
Gold \$416  
Sterling \$1.5275

## INTEREST RATES

Domestic rates:  
Base rates 9 1/2  
3 month interbank 9 1/2, 9 1/4  
Euro-currency rates:  
3 month dollar 9 1/2, 9 1/4  
3 month DM 5 1/2, 5 1/4  
3 month FF 14 1/2, 14 1/4  
ECGD Fixed Rate Sterling Export Finance Scheme IV  
Average reference rate for interest period May 4 to June 7, 1983 inclusive: 10.334 per cent.

## PRICE CHANGES

Hickling P-coat 78p + 33p  
Atlantic Res 58p + 15p  
Modern Eng. 30p + 4p  
Lincroft Kfg. 69p + 8p  
Microlease 163p + 18p  
Cornell Mfg. 165p + 17p  
Allied Plant 75p - 15p  
Bousfield 68p - 4p  
Talbot 4.5p - 0.25p  
Wankle Colliery 21p - 1p  
Comben Group 48p - 2p  
Burgess Prod. 48p - 2p

## TODAY

Interims: Henlys, Oakwood Grp.  
Finals: Great Northern Telegraph Co's hldg co (div); Klen-8 Zs.  
Economic statistics: Car and commercial vehicle production (May-final).

## NOTEBOOK

Scottish & Newcastle Breweries reported a 28 per cent rise in pretax profits to £41.1m in the year to last May.  
Guinness Peat, the financial group, made a profit of £1.34 after tax in the second half of the year, its first profitable period for 30 months.  
Hampton Gold Mining Areas could be about to fulfil its promise despite pretax profits for the year falling to £2.45m from £3m.  
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Lotus secur.  
£2m credit

British Car Auctions, which earlier this week agreed to provide £3.5m of equity finance for Group Lotus, has also arranged a £2m line of credit with Lloyds Bank for the troubled sports car maker.  
The new credit facility has already enabled Lotus to repay £500,000 of the £1.6m it owes American Express, its previous lender.

FIELDHOUSE QUILTS: Mr William Fieldhouse, who was looked set to pick up a record £1m golden handshake from Vantona Vitella, has topped down from the company. Mr Fieldhouse, who has varied legal proceedings over termination of his contract, was chief executive of Carrington Vitella before its merger with Vantona this year.

STEEL SCHEME: The government's £34m private prior steel scheme is to be extended and expanded, although the amount of public money available to assist with the scheme will remain the same. Assistance will be offered above the 25 per cent standard level and the closing date for applications is now next June 1.

MORE FAILURES: Almost 6,400 companies in England and Wales went into liquidation in the first six months of the year, a 15.2 per cent increase on the same period last year. Bankruptcies, long firms, partnerships and individuals reached 3,372 in the first half of the year, a 24 per cent rise on the first half of 1982. Both figures were recorded by the Insolvency and Companies Accounts for 50 per cent of overall total.

## WALL STREET

## Stocks begin to firm

New York (AP-Dow Jones) - Stocks were firm after pulling back from their initial advance yesterday though trading was moderate.

The Dow Jones Industrial average was up about 5 points at 1,218. Its initial gain of more than 6 points had faded to less than 2 before the upturn.

Mr William Lefevre, vice-president for investment strategy at Purcell Graham & Co., said that despite the belief of many economists that interest rates were apt to go higher "Treasury Secretary Mr Donald Regan looks for rates to go down and Fed Chairman Mr Volcker, a couple of days ago, said he looks for lower rates. Mr Volcker can make it happen. So there is less fear of an interest rate rise."

Lefevre said that the market's recent drop brought "no follow-through decline on volume. That made it appear to investors that stocks won't go down—that the bears looking for a correction again were unsuccessful."

He adds that stocks "should be strong this week as the mid-year pension fund contributions are made and seek investment."

International Business Machines was 120 1/2 up 1/2. General Motors 73 1/2 up 1/2. Ford 57 1/2 up 1/2. Advanced Micro Devices 64 1/2 up 1/2. Chrysler 32 1/2 up 1/2. Procter & Gamble 54 1/2 up 1/2. Merck 22 1/2 up 1/2. Texas Instruments 120 1/2 up 1/2. Walt Disney 67 1/2 up 1/2. General Electric 54 1/2 up 1/2.

American Express was up 1 1/2 to 70 1/2. Teletype up 2 to 162 1/2. Sanders Associates down 1 1/2 to 111. Bandag down 1 to 54. R H Macy up 1/2 to 56 1/2. Sears Roebuck up 1/2 to 41. Federated Department Stores up 1 to 65 1/2. Exxon up 1/2 to 34 1/2. Standard Oil of Indiana up 1/2 to 30 1/2. Schlumberger up 1/2 to 53 1/2.

## Search for compromise at Unctad

From Deissa Trevisan, Belgrade

Last minute haggling has delayed the end of the United Nations Conference on Trade and Development (Unctad) here; the final version, originally due for yesterday, is now set for today and the meeting is not likely to end until Saturday.

The disagreement is over a resolution on aid, trade finance and commodities to avoid almost total failure after four weeks of debate which have failed to close the gap on all major issues between industrialized and developing countries.

Ministers who arrived here for the closing are joining in efforts to bring the conference to a more or less successful compromise; they include Mr Paul Channon, the British Trade Minister, and Dr Otto Lambardorf, the West German Economics Minister.

There has however been some progress on commodities and the conference is expected to urge ratification of the agreement to create a common fund in support of commodity prices which dates from the conference in 1976. Ratification by the US is crucial but it is not yet forthcoming whereas EEC countries are almost certain to ratify.

Mr Gordon Strech, head of the American delegation, said that a good sign was that the conference was more inclined to put emphasis on specific problems than on ideological discussion.

The developing countries have throughout been pressing for major changes and the conference exhausted itself in a confrontation which was never likely to bear fruit.

The West was criticized for dragging its feet on trade liberalization as the developing group rejects the Western view that a rollback on protectionism should be conditional on an economic recovery among the industrialized countries.

There was, however, more progress on development aid with a pledge by the West to renew efforts to reach the United Nations aid target of 0.7 per cent of gross national product by 1985.

Figures published yesterday show for the first time the full impact of the freeing of British exchange controls.

A report by the Committee on Invisible Exports shows that the surplus on investment in 1981, income from abroad in 1981, the latest year for which figures are available, rose fourfold to £805m from £205m. Controls were lifted in October 1979.

Britain's net balance on invisibles would have fallen severely had it not been for the surge in investment income. This was also inflated by a levelling-off of investment payments, particularly to foreign operators in the North Sea.

Britain's economic growth will continue to lag behind the rest of the industrialized world and will not be sufficient to make any dent in the jobless total over the next year or so, according to the Bank of England's latest Quarterly Bulletin.

This gloomy picture, published yesterday as Lord Richardson finally bowed as governor, is in marked contrast to Ministers' statements in recent weeks. Mr Nigel Lawson, the Chancellor, said during the election campaign that he expected unemployment to be falling by the end of next year.

The Bank says it sees no reason to change its forecast of only gradual growth of output in the coming months. Its economists are thought to be expecting an increase in output of about 2 per cent between now and next summer, somewhat less than the Treasury's prediction of 2.5 per cent.

## Williams &amp; Glyn's name to vanish

By Peter Wilson-Smith, Banking Correspondent

The name of Williams & Glyn's will disappear from high streets in England and Wales in two years' time. Royal Bank of Scotland Group announced yesterday that it will merge its Scottish arm, Royal Bank of Scotland with the English subsidiary, Williams & Glyn's, and the bank will then be known by the parent company's name.

The merger, which will require an Act of Parliament and should take place in 1985, is an important step towards improving efficiency and saving costs. At present the two banks operate independently and many functions are duplicated.

The move has been expected for some time. In 1981 Standard Chartered and Hongkong and Shanghai Bank tried to buy the Scottish-based group for £500m. But the Monopolies and Mergers Commission blocked both bids and since then Royal Bank has been looking at ways of improving its performance.

Mr Sidney Procter, said that reducing the staff by 1,000 over the next two years would save £10m. However, the group, which has 16,000 employees, loses and recruits about 1,200 a year so there would be no need for redundancies.

Harmonizing data-processing, crucial to the merger, would cost about £25m but this would be more than offset by savings on buying hardware. Over the next five years £250m will be spent on data-processing equipment, Mr Procter said.

Williams & Glyn's, with 320 of the group's 900 branches, makes about half of group profits, £90m in the year to last September.



Giving up the chair: Lord Richardson (left) with his successor (photograph by John Voos).

## Richardson bows out

Lord Richardson of Duntisbourne, aged 67, left the Bank of England yesterday after 10 turbulent years as its Governor. He had to face, among other problems, the secondary bank crisis, the great run on sterling, Britain's application to the IMF and the ups and downs of the monetarist strategy.

As he passes on his chair to Mr Robin Leigh-Pemberton, aged 56, former chairman of the National Westminster Bank, he hands over an institution with a much-enhanced reputation for professionalism, and one which, under his reserved leadership, has largely swapped its stance of independence in public for influence in private.

## Philips and Siemens talk on music link

By Derek Harris, Commercial Editor

New York-based Warner Communications, Netherlands' Philips and West Germany's Siemens are holding talks to create the world's largest-selling recorded music business.

A part of the business is expected outside the United States to give Philips a much-needed boost to expand the range of its programmes on its video-tape and video-disc systems. It should open up the extensive film libraries of Warner, including the Warner Brothers classics library, to Philips.

With the competition between the non-compatible formats of both video-tape and video-disc systems, the access to a wide range of soft ware of this kind is crucial. This had been a comparative weakness of Philips.

Philips said yesterday that this was only one of the benefits expected from the link. It is also expected to speed the introduction of a compact disc system developed jointly by Philips and Japan's Sony which not only offers new standards of reproduction but also goes a

from a \$514m profit to £561m in the red.

The biggest sector of all - "other-services" - would have been in desperate trouble had it not been for an increase of about 50 per cent in the profits generated by banks during 1981.

The balance in this category, which includes receipts from professions such as accountancy and consultancy and from film and television programme sales, fell by 33m during the year. The surplus of \$8,019m was still the best in the world.

The United States increased its performance in the category to a surplus of \$7,414m, and France stood still in third place at \$3.7bn.

Japan's argument that it is hurt most by a global ignorance of invisibles with everyone

## Gloomy report forecasts no dent in jobless total

## UK growth will lag behind rest of industrialized world, says Bank

By Frances Williams, Economic Correspondent

made at the time of the Budget, and substantially less than the 3 per cent rise in activity which the Bank foresees in the industrialized countries as a whole.

Economic growth of at least 2.5 per cent and probably more would be needed to make any significant impact on unemployment in Britain.

The Bank spreads its pessimism far and wide. It expects the recent rapid growth of consumer spending to taper off, since this has relied entirely on a sharp and unrepeatable drop in savings and near-record borrowing in the face of stagnant living standards.

It says it is difficult to see strong growth in industrial investment - on which the durability of recovery depends - when there is much spare capacity and the returns on investment are so low in relation to borrowing costs.

It expects little further contribution

from stockbuilding, and trends in external trades "seem to be adverse", with little growth in exports and much of the extra home demand syphoned off into imports. The Bank points out that since 1976 exports of manufactured goods have remained unchanged but imports have soared by 80 per cent.

On inflation, however, the Bank is more hopeful than many outside economists. Pointing out the big contribution made by lower pay deals to falling inflation over the last three years, the Bank rejects the conventional wisdom that settlements are likely to rise in the next pay round.

"It is clearly important that the trend to lower pay settlements should continue in the coming pay round", the *Bulletin* says. Lower inflation and continuing competitive pressures on companies mean there was a good chance of achieving "a further signifi-

cant reduction in the level of settlements".

The Bank estimates that despite the slowdown in earnings the real take-home pay for those still in work has risen by more than 3 per cent.

Although no figure for future settlements is given, the Bank clearly shares the views of the Confederation of British Industry and government ministers who would like to see pay rises down to Japanese and German levels of 2 or 3 per cent in the coming wage round.

"Given such restraint in wage settlements, the rate of price increases could progressively be brought down to a very low level, which would then be capable of being maintained through a phase of recovery lasting several years."

A report by Simon and Coates, the firm of stockbrokers, also expects the consumer boom to run out of steam this year.

## Hongkong property loans hit Barclays

Hongkong (AP-Dow Jones) - Barclays Bank has set aside much of last year's operating income at its Hongkong merchant banking subsidiary, Barclay Asia Ltd, to cover losses from underwriting a share issue by a local property company, the company's annual report reveals.

The annual report says Barclays Asia's parent group in London has guaranteed loans made by the Hongkong subsidiary, according to the Asian Wall Street Journal which obtained an advance copy of the report. If these loans are not repaid, the parent will have to absorb the loss, the report says.

In London, a Barclays Bank spokesman said Barclays Bank would stand by any obligation incurred by Barclays Asia. (He declined to comment further on the report that Barclays Asia had set aside much of last year's operating profit to cover the underwriting losses.)

The report said the 1982 annual report of Barclays Asia, showed the subsidiary had an operating profit of \$1K16.7m (£1.5m), but had set aside \$HK12.8m, or 77 per cent, as a reserve to cover an unrealized loss on investments.

Barclays Asia was one of the foreign banks most heavily involved in property lending, Hongkong bankers say. It courted new business from such Hongkong property companies as the Carrion and EDA groups, both of which have stopped repaying loans, according to Hongkong sources.

The Barclays group is also reorganizing its management in the colony. Mr Peter Dodd, managing director of Barclays Asia, will take over in September as director of the branch bank, the merchant bank and other parts of the group.

Barclays Asia's loans to the EDA group have been estimated at about \$HK200m.

## BTR delay on Tilling

By Philip Robinson

The future of the six remaining executive directors of Thomas Tilling will be decided in a fortnight by new owners BTR.

The six include Sir Patrick Meany, the managing director and chief executive who led a spirited defence of his company against BTR's £660m offer. It was Britain's biggest takeover battle.

Yesterday, the non-executive directors of Tilling, still technically a separate company until BTR obtains 90 per cent acceptances, resigned from the board and six BTR directors moved on. Tilling is still without a chairman after the

resignation of Sir Robert Taylor.

BTR is currently conducting a world-wide review of Tilling's operations which will determine the company's future and management structure.

Sir David Nicolson, BTR chairman, said: "At that stage we will decide whether any executives are redundant. And if it is right that as full time employees they should be compensated of course they will get compensation."

The cash sum is unlikely to be large. Most of the six Tilling executives have contracts requiring only 12-month notices.

## Deal on financial news service

New York (AP-DJ) - Dow Jones says it has reached an agreement in principle with the Associated Press and Telerate to form a company which will market Telerate's financial information services and the AP-Dow Jones newswires to subscribers outside the US and Canada.

Dow-Jones says the company will be called AP-Dow Jones-Telerate and will be owned 49.99 per cent by Telerate and 25.01 per cent each by Dow Jones and the Associated Press.

Telerate operates a computerized information system providing up-to-the-second quotes on foreign exchange, precious metals, money-market instruments, US Government securities, financial futures, euro-bonds and mortgage rates to

professional traders, brokers, banks and corporations.

AP-Dow Jones-Telerate will have an agreement with Telerate - extending for a minimum of 25 years - giving it exclusive right to market the Telerate service outside the US and Canada, Dow Jones says.

The agreement between Telerate and the new company will supersede an existing 10-year marketing agreement signed in 1977 by Telerate and Dow Jones which provides Dow Jones with exclusive distribution rights to market Telerate's service outside North America.

Under this agreement, which has been administered by AP-Dow Jones, Telerate has a total of more than 2,500 terminals in 21 countries.

Mr Neil Hirsch, president and chief executive officer of Telerate, said: "Today's agreement is significant from several standpoints. First, Telerate's business strategy is to penetrate the overseas financial markets in much the same way that we have captured the leading position in the US. We believe that this new company is an important step in accomplishing that objective."

"Second, the new company would formalize what previously has been a marketing agreement into what will be a well-structured organization that has the financial resources and full-time professional management talent to more effectively compete on an international basis."

## City Comment

## Tidying the merger muddle

The hazy pragmatism of competition policy in Britain has been fast degenerating towards a shambles as recommendations were ignored from Sir Gordon Borrie, director general of Fair Trading, and the Monopolies and Mergers Commission was equally spurred.

Although predecessors had done their share of overturning such recommendations the problem seemed to grow most while Lord Cockfield was Secretary of State for Trade.

That is why yesterday's announcement by Mr Alexander Fletcher, minister responsible for corporate and consumer affairs, on competition policy is more than welcome.

Mr Cecil Parkinson, the Trade and Industry Secretary, will accept the advice of both the OFT and the Commission whenever possible and, when he disagrees, will explain why, said Mr Fletcher.

This indication of a return to following such advice in all but the most exceptional circumstances - apparently the stance being adopted by Mr Parkinson - has come none too soon. There had been increasing signs of nervousness at both the OFT and the Commission on quite what might happen next when they made a recommendation.

In the new atmosphere both the OFT and the Commission should regain their former credibility although whether that will embolden them to get rid of the haziness about the application particularly of merger policy will remain to be seen.

Mr Fletcher has cleared up another point. No changes are proposed in competition legislation, he said. It means that the essential test of a merger will be that it is not against the public interest rather than introducing a more neutral stance. Such a stance would have implied the question whether a merger could be seen to have some positive benefits.

It may not be the time to change legislation to enshrine that idea but Mr Parkinson might do well to make his attitude on this clear if only to indicate to companies how mergers with positive virtues could expect a fairer wind.

## NORMAN BROADBENT INTERNATIONAL LIMITED

## INTERNATIONAL EXECUTIVE SEARCH

We are pleased to announce the formation of our new Executive Search partnership.

Our experience is already well established for completing the critical and highest level searches for industrial (nationalised and private), banking, broking and investment management companies.

David Norman  
ChairmanMiles Broadbent  
Managing DirectorJulian Sainty  
DirectorJames Harvey-Bathurst  
Director

Our office is at 3 St. James's Place SW1

Our telephone number is 01-499 7526



# AGA

## AGA Aktiebolag

(Incorporated with limited liability in the Kingdom of Sweden)  
("the Company")

### Notice to the holders of the outstanding 7¾ per cent. Convertible Bonds 1989 of the Company

in the denomination of U.S. \$1,000 each  
("the Bonds")

convertible into fully paid registered ordinary shares series B  
of 50 Swedish kronor each of the Company which are free shares for the purposes  
of the Swedish Companies Act 1975  
("B Shares")

Conversion Right expires: 16th August, 1983  
Redemption Date: 16th August, 1983

#### NOTICE OF REDEMPTION

NOTICE IS HEREBY GIVEN to the holders of the Bonds that, in accordance with the Conditions endorsed on the Bonds ("the Conditions") and pursuant to the provisions of the trust deed dated 18th July, 1979 ("the Trust Deed") between the Company of the one part and The Law Debenture Corporation p.l.c. ("the Trustee") of the other part constituting the Bonds, the Company will on 16th August, 1983 redeem all of the Bonds then outstanding at the redemption price of 103 per cent. of their principal amount, together with interest accrued from and including 15th March, 1983 down to but excluding 16th August, 1983 amounting to U.S. \$32.51 per Bond (that is to say an aggregate of U.S. \$1,062.51 for each U.S. \$1,000 principal amount of Bonds).

This Notice is given in accordance with Conditions 6 and 13. The condition precedent to the right of the Company to redeem the Bonds, contained in Condition 6(b), has been satisfied since the Average Market Price (as defined in Condition 5(i)(2)) per B Share for the 30 consecutive business days on the Stockholm Stock Exchange commencing on 13th April, 1983 was at least 150 per cent. of the Conversion Price (as defined in Condition 5(a)) specified below in effect on the date of this Notice.

#### CONVERSION OR SALE ALTERNATIVE

It is provided in the Trust Deed and in the Conditions that any holder of Bonds may, as an alternative to redemption, exercise the right to convert the principal amount of his Bonds into B Shares but such right to convert must be exercised by the close of business at the specified office of the Conversion Agent (set out on the reverse of the Bonds and at the foot of this Notice) on 16th August, 1983. THE RIGHT TO CONVERT THE PRINCIPAL AMOUNT OF THE BONDS WILL THEREFORE TERMINATE ON 16th AUGUST, 1983 AT SUCH CLOSE OF BUSINESS.

Bonds may be converted into B Shares at the Conversion Price of Skr. 127.00 per B Share with the Bonds taken at their principal amount being translated into Swedish kronor at the fixed rate of U.S. \$1 = Skr. 4.31125, resulting in a conversion rate of 33.94685 B Shares for each U.S. \$1,000 principal amount of Bonds. As provided in the Conditions, any holder of Bonds who wishes to exercise his right to convert must obtain a Conversion Notice from the specified office of the Conversion Agent or of any Paying Agent (set out on the reverse of the Bonds and at the foot of this Notice), complete and sign the same in accordance with the instructions thereon and deposit it with his Bonds, together with Coupon(s) No. 5 due 15th March, 1984 and all subsequent relative Coupons, at the specified office of the Conversion Agent at any time during normal business hours on or before 16th August, 1983. The Conversion Agent will require payment of an amount equal to the face value of any such Coupon not so deposited. A Bondholder delivering a Bond for conversion must pay all stamp, issue, registration or other similar taxes and duties (if any) which become payable by reason of the issue or delivery of the B Shares to be issued on such conversion to a person other than the converting Bondholder. Unless the Company determines that an exemption from the registration requirements of the United States Securities Act of 1933 is applicable, no Conversion Notice shall be effective unless it includes a certificate that the beneficial owner of the Bond being converted and of the B Shares to be issued upon conversion thereof is not a U.S. person and such Bond is not being converted with a view to, or in connection with, any offer or sale of such B Shares in the United States or to a U.S. person. For this purpose "United States" means the United States of America, its territories and possessions and all other areas subject to its jurisdiction and "U.S. person" means any national or citizen of, or person resident or normally resident in, the United States (including the estate of any such person), any corporation, partnership, trust or other entity organised under the laws of the United States or any political sub-division (thereof) and any branch or office in the United States of a foreign bank.

B Shares which are issued on conversion of any Bond on or after the date of this Notice will rank for all dividends the Record Date (as defined in Condition 5(i)(7)) for which falls on or after the Conversion Date (as defined in Condition 5(d)). B Shares issued upon conversion of any Bond the Conversion Date for which occurs during an *ex* Period (as defined in Condition 5(i)(4)) will not rank for the issue, distribution or offer for which the *ex* Period is established and the certificates in respect thereof shall be so marked with a statement to that effect. Subject thereto B Shares issued on conversion of any Bond will rank *pari passu* in all respects with the B Shares in issue on the Conversion Date applicable to such Bond. No payment shall be made upon conversion for interest accrued on any Bond from and including 15th March, 1983. Fractions of a B Share will not be issued on conversion of Bonds but, when a fraction would otherwise fall to be issued, payment shall be made in U.S. dollars of an amount (converted at the fixed rate of U.S. \$1 = Skr. 4.31125 and rounded to the nearest U.S. \$0.01) equal to the appropriate fraction of the Conversion Price of a B Share on the relevant Conversion Date provided, however, that if more than one Bond shall be deposited for conversion at any one time by the same holder for conversion into one holding, the number of B Shares which shall be issued upon conversion thereof shall be calculated on the basis of the aggregate principal amount of the Bonds so deposited. Certificates for B Shares issued on conversion will be despatched free of charge to the converting Bondholder or other person designated in the instructions contained in the Conversion Notice in each case in accordance with such instructions (subject to any applicable exchange control or other regulations) at the risk of the Bondholder, normally within 20 business days after the Conversion Date together with (if appropriate) a cheque drawn on a bank in New York City in respect of any fractional entitlement. The Company will not be liable for any delay in effecting conversion for reasons outside the control of the Company or the Conversion Agent. The Company will use all reasonable endeavours to obtain a listing for the B Shares allotted on conversion on the Stockholm Stock Exchange, a stock exchange outside Sweden and on all other stock exchanges on which its B Shares are (pursuant to its application) then listed.

Between 13th April and 8th June, 1983 (both inclusive), the Average Market Price per B Share (converted from Swedish kronor to U.S. dollars at the then prevailing rates of exchange) ranged from U.S. \$42.23 to U.S. \$53.08. The Average Market Price per B Share on 28th June, 1983, the last practicable date prior to the publication of this Notice, on the same basis, was U.S. \$43.74. At such price, the holder of a Bond of U.S. \$1,000 principal amount would receive upon conversion B Shares and cash for the fractional entitlement having an aggregate value of U.S. \$1,471.31. Such value is, however, subject to variation with both the market value of the B Shares and the rate of exchange between the Swedish krona and the U.S. dollar. SO LONG AS THE MARKET VALUE OF THE B SHARES (WHEN CONVERTED AT THE THEN PREVAILING RATE OF EXCHANGE BETWEEN THE SWEDISH KRONA AND THE U.S. DOLLAR) IS U.S. \$31.36 OR MORE PER SHARE, HOLDERS OF BONDS WILL UPON CONVERSION RECEIVE B SHARES AND IF APPLICABLE CASH IN LIEU OF ANY ENTITLEMENT TO A FRACTION OF A B SHARE HAVING IN AGGREGATE A GREATER MARKET VALUE THAN THE CASH WHICH THEY WOULD RECEIVE ON REDEMPTION OF THEIR BONDS. FAILURE TO DELIVER BONDS FOR CONVERSION ON OR BEFORE 16th AUGUST, 1983 WILL AUTOMATICALLY RESULT IN REDEMPTION AT A PRICE (INCLUDING ACCRUED INTEREST) OF U.S. \$1,062.51 FOR EACH U.S. \$1,000 PRINCIPAL AMOUNT OF BONDS.

#### IMPORTANT

Value of the B Shares (including fractional entitlement) into which each U.S. \$1,000 principal amount of Bonds is convertible based on the Average Market Price per B Share on the Stockholm Stock Exchange on 28th June, 1983 (converted from Swedish kronor to U.S. dollars at the rate of exchange then prevailing) at U.S. \$43.74 per share ..... U.S. \$1,471.31  
Redemption price (together with accrued interest) for each U.S. \$1,000 principal amount of Bonds ..... U.S. \$1,062.51

If any holder of Bonds wishes to accept redemption at the redemption price (together with accrued interest) he should surrender his Bond(s) together with Coupon(s) No. 5 due 15th March, 1984 and all subsequent relative Coupons at the specified office of any Paying Agent (set out on the reverse of the Bonds and at the foot of this Notice) on or after 16th August, 1983.

The attention of holders of the Bonds is drawn to the Conditions and in particular to Conditions 4, 5, 6 and 8 which contain further details regarding conversion and redemption.

Holders of Bonds may, as an alternative to conversion or redemption, sell their Bonds, which are listed on The Stock Exchange in London.

The aggregate principal amount of the Bonds outstanding as at 28th June, 1983, the latest available date prior to the publication of this Notice, was U.S. \$432,000.

#### PRINCIPAL PAYING AGENT

Luxembourg  
Bank of America International SA  
35 Boulevard Royal  
Luxembourg

#### PAYING AGENTS

Brussels London New York Zürich  
Bank of America NT & SA Bank of America NT & SA Bank of America, New York Bank of America NT & SA  
Boulevard de la Woluwe 2 25 Cannon Street 37/41 Broad Street Bleicherweg 15  
B-1150 Brussels London EC4P 4HN New York, NY 10004 CH-8022 Zürich

#### CONVERSION AGENT

Svenska Handelsbanken  
Kungsträdgårdsgatan 2  
S-103 28 Stockholm

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF HOLDERS OF THE BONDS. IF HOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE OR AS TO THE TAX CONSEQUENCES FOR THEM OF ANY PARTICULAR ACTION THEY SHOULD CONSULT THEIR STOCKBROKER, LAWYER, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER WITHOUT DELAY.

For and on behalf of AGA Aktiebolag

Lidingö, Sweden

Jan Belfrage

Johan Lagercrantz

Dated 1st July, 1983

Officers authorised to sign on behalf of the Company

## Scottish & Newcastle faces tough time after 28pc rise

Scottish & Newcastle Breweries  
Year to 5.1.83.  
Pretax profit £41.1m (£32.2m).  
Stated earnings 8.4p (7.8p).  
Turnover £841.8m (£820.5m).  
Net final dividend 3.18p (4.375p).  
Share price 95p up 3p. Yield 7%.

Pretax profits of Scottish & Newcastle Breweries rose nearly 28 per cent to £41.1m in the year to May vindicating the sharp upward re-rating the company's shares have enjoyed over the last year. But it is difficult to see how the company is going to move forward from here.

S & N admits that there is little sign of a reversal in the declining or flat trend of the beer market. Indeed, it has identified long-term structural reasons why this should not occur.

Last year it was willing to surrender market share to hold and improve on margins and, with the notable exception of the north-east, its beer volume fell by possibly as much as 2 per cent more than the industry as a whole.

Volume was hit particularly hard in canned lager where there was a reversal of the deep discounting policy applied until recently.

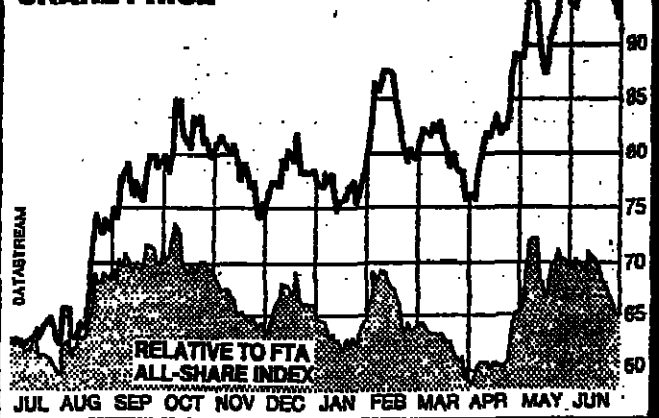
Throughout the free trade to which S & N has a much higher exposure than most big brewers - only 20 per cent of its production sold through its own 1,500 tied houses - less emphasis is being put on low interest loans and more on discounting. The cheap loans are used as a method of persuading club owners to take one brand of beer in preference to another.

S & N has taken the opportunity afforded by this change to rationalize its loan portfolio and strip out some of the higher risk elements. But this has been achieved at the expense of some further decline in market share.

However, cost efficiencies have more than compensated for the fall in volume. In addition capital expenditure is now being kept well within cash flow with a consequent reduction in borrowings. This is feeding through to the profit-and-loss account where last year there was a £4.3m reduction in bank borrowing costs to £13.7m.

Although both these factors will continue to benefit results in the current year, which the company claims has begun with a small improvement in its market share, a clearly defined

#### SCOTTISH & NEWCASTLE BREWERIES SHARE PRICE



strategy for S & N is still elusive.

The hotel side, which saw a big fall in profits last year, continues to look unexciting despite the efforts the group is making to refurbish the provinces and claw back some of the commercial trade lost to newer and cheaper competitors.

Gough Brothers, the off-licence chain, has had its management revamped but there is not let-up in competition from supermarkets for its trade.

Adds to that the group's known desire to make the rather uninspiring acquisition of the Hartlepool-based J W Cameron brewing company if Ellerman Lines is prepared to sell, and the prospects for the shares, in the short term at least, would be unexciting if they were not subject to regular bouts of takeover speculation.

#### Hampton Gold Mining Areas

Hampton Gold Mining Areas  
Year to 31.3.83.  
Pretax profit £2.45m (£3m).  
Stated earnings 16.57p (13.68p).  
Turnover £10m (£8m).  
Net dividend 3.75p (5p).  
Share price 224

Valuing holes in the ground is always easier once the promised treasures begin to emerge. So it is with Hampton Gold Mining Areas.

Over quite a period, the London-based finance house, with a patchy profits record, has promised good times tomorrow. Yesterday's results and prospects this year, indicate that at last bumper fortunes may have arrived.

For the year to March 31,

Hampton's pretax profits fell to £2.45m from £3m on a turnover up from £8m to £10.4m.

The fall came largely as a result of royalty income from Western Mining Corporation being depressed by low nickel prices. The figures fell from £1.1m to £500,000. However, Hampton has increased total dividends by a quarter to 3.75p a share.

Despite the profits fall, Hampton exceeded most expectations. Moreover, the current year looks promising. The company will have a full year's contribution from the Paranga Gold Mining joint venture at Kalgoolie in Western Australia, where it has a 20 per cent stake.

Oklahoma oil and gas interests will begin contributing mainly during the second half of the year. The two should combine to justify last year's £17m rights issue last March at 162p. The shares yesterday were 224p and there is £7m in cash left over from the rights issue after buying the colliery interests.

Hampton suggests the real winner will be its 5 per cent of the North Sea Balmoral field, although those treasures are not due to emerge until 1987.

Even so, Hampton looks like rewarding those shareholders who had the patience to hold on.

#### Guinness Peat

Guinness Peat  
Year to 30.4.83.  
Pretax loss £2.13m (£31.1m).  
Stated earnings 2.12p loss (37.88p loss).  
Net nil (nil).  
Share price 58p.

After all the calamities and internal rows of recent years,

there are now grounds for confidence that Guinness Peat is firmly on the mend.

Although the 12-month period to April 30 still showed a loss, the last six months produced a £1.34m profit after tax and minorities - the first profitable half for 30 months. It compared with losses of £3.3m and £23.6m in the two preceding halves and was better than the £1m profit Guinness Peat forecast at the time of its life-saving £20m rights issue in March.

Guinness Mahon, the merchant bank and the group's prime asset, disclosed a disappointing drop in profits from £2.5m to £1.45m. But this was more than explained by high development costs and a cautious funding policy lest the group's problems hindered the merchant bank raising deposits.

The caution proved unnecessary, but it is hard to fault Guinness Mahon's prudence given the odium its parent was attracting last year and the merchant bank's second half was rather better than the first.

Fenchurch, the insurance broking subsidiary, had a good year with pretax profits up from £2.7m to £4m. Guinness Peat Aviation (GPA) also did well and the other parts of the group are all making progress.

Borrowings and interest charges are still a burden but the group has now agreed to sell the assets of Guinness Peat Aval, the business which refinances suppliers' credits, to Midland Bank which will leave year-end bank debt at £38.6m compared with about £35m of shareholders' funds. There is also about £3.5m to £4m to come from the sale of the old Oxford building in the West End.

However, the real excitement to come is the flotation of Guinness Peat Aviation this year. The group has a 29.3 per cent stake in GPA, which made \$9.1m (£6m) profit last year, and an impending deal giving General Electric Credit Corporation a 20 per cent stake imparts a value of about \$100m (£65m) on the aircraft leasing company.

Guinness Peat's existing businesses should be able to manage steady growth but a successful flotation of GPA would have a significant impact on the balance sheet.

Meanwhile, the shares at 58p have speculative recovery potential although dividend payments are still a year or so away.

## ASSOCIATED LEISURE PLC

### Benefits of Diversification

Summary of Results	1982/83	1981/82
	42 weeks	52 weeks
	£'000	£'000
Turnover	48,226	42,614
Profit before tax	5,522	3,756
Net profit attributable to shareholders	2,592	2,395
Earnings per share	10.6p	9.4p
Dividends per share	5.0p	5.5p

#### Amusement Machines

The strong performance of our amusement machines interests was noticeably at variance with the general trends in the industry at large and testifies to the strength and expertise of our management.



#### Coach-based Holidays

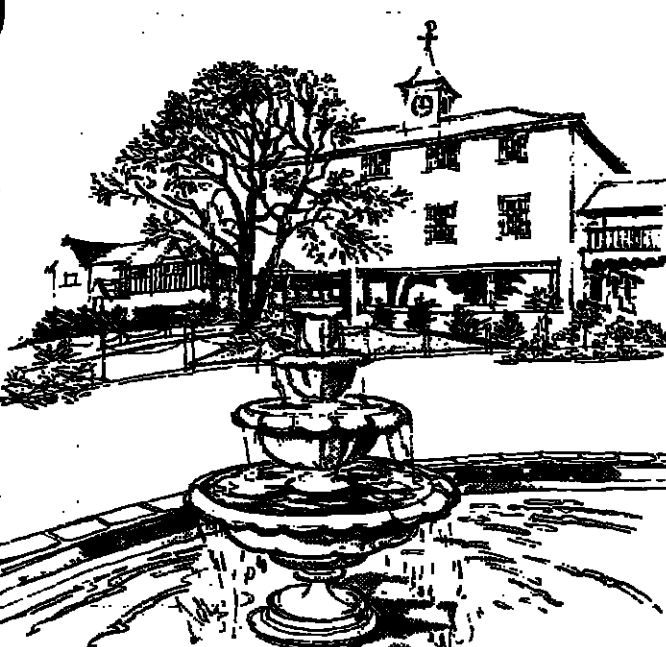
Smiths Happiways maintained profits by continuing to offer outstanding value for money.



#### Activities

The principal activities of the Group are the distribution and rental of amusement machines, coach-based package holidays and the operation of hotels and entertainment centres.

Associated Leisure PLC, Phonographic House, The Vale, London NW11 8SU.  
Tel: 01-450 5251. Telex: 27436.



#### Hotels and Entertainment

Our hotels overall showed an increased profit for the period.

At the Annual General Meeting held on 30th June, Nat Solomon, the Group Managing Director said:

"So far as the current year is concerned, I am pleased to report that our experience to date suggests that 1983 will be another good year for us."



Japan  
taking on  
every









## H.B.L. Unit Trust Managers Limited

41 Bishopsgate, London EC2P 2AA.  
(a wholly owned subsidiary of Hambros PLC)

Announce the formation of the following authorised unit trusts, which are designed to provide maximum capital growth for pension funds and private clients, and are backed by the Managers' long experience in these markets:—

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Enquiries to Jasper Olivier or John Comyn.  
Telephone: 01-588 2851 Extensions 364 and 604

## Republic of Tunisia

### Tunisian National Ports Authority

## International Competitive Tender for the Rehabilitation of the Grain Quay at Bizerta

### Notice of Invitation to Prequalify

The Tunisian National Ports Authority intends implementing the rehabilitation and the extension of the grain quay at the port of Bizerta, in order to allow the handling of grain in ships of 50,000 DWT.

The works, financed by a loan from The World Bank and estimated to cost approximately 1 million Tunisian Dinars will be the subject of international competitive tendering for which there will be a prequalification of interested firms.

The works consist essentially of:

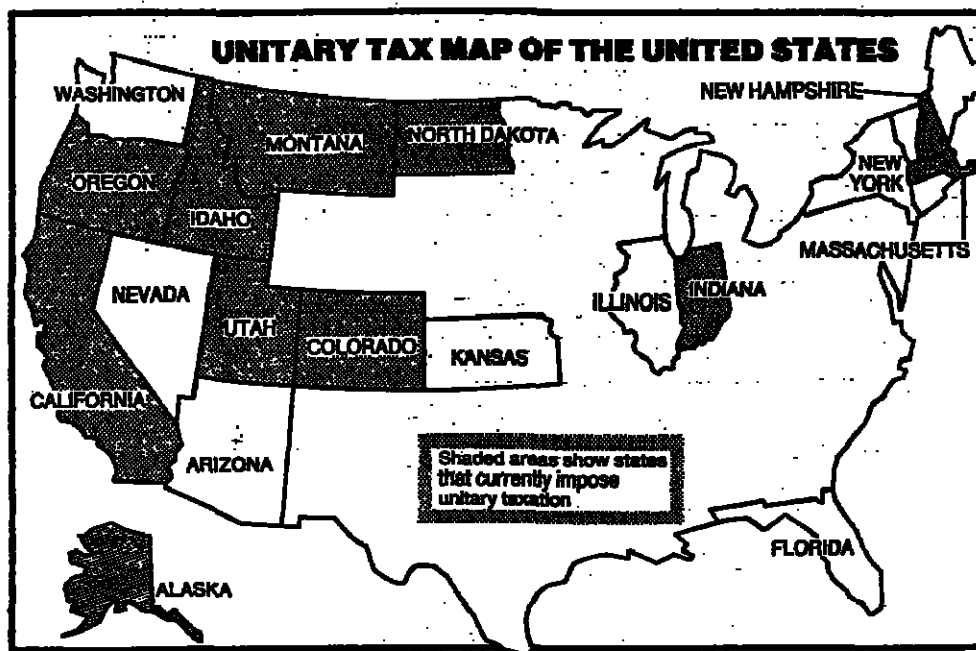
- the dredging of 430,000 m<sup>3</sup> of sand
- the construction of three dolphins of 12 m diameter.

Firms wishing to be prequalified should submit their request by registered letter before 26 July 1983 at 12 noon to Monsieur le Président Directeur Général of the Tunisian National Ports Authority, Bâtiment Administratif, Port de la Goulette, Tunisia.

To be valid, requests for prequalification must comply with the prequalification documents, which can be obtained from the Technical Direction of the Tunisian National Ports Authority.

Michael Prest and John Lawless on the implications of unitary taxation

# Headaches for multinationals as Americans maximize income



BAT Industries had thought that its tax liability to the State of California for the last decade was agreed. But on Tuesday, less than 24 hours after the United States Supreme Court upheld the right of states to impose unitary taxation, California was requesting a review.

That "review" is but one of the many ramifications of California vs Container Corporation (a subsidiary of Mobil) which are causing headaches in boardrooms. If American states — and countries such as Nigeria or Brazil — also try to levy unitary taxes, the effect on corporate profits, financial structure and stock market ratings could be marked.

Unitary tax is a system whereby a government taxes a business within its jurisdiction on the percentage its operations represent of the worldwide turnover, profits or payroll of the group of which the business is part, rather than simply charge it on the profits declared in the state or country.

But the anguish is not confined to business. Governments of America's main trading partners, not least Britain as well as Japan and the European Community, are furious at what they regard as a dangerous threat to the international tax system.

In Whitehall, officials mutter that the United States federal government has not kept faith by failing to legislate against unitary taxation.

The issue could become another of those causes célèbres between Europe, Japan and the EEC an extension of rows about extraterritoriality, the Soviet gas pipeline, and technology transfer. Yet it does have a basis in fact and theory.

And, ironically, it is possible that the attempt by states to augment their income through unitary taxation will backfire as companies move to locations with lower tax rates. Multinationals may now switch between American states as they do between Third World countries.

The proponents of unitary tax argue that it minimizes the opportunities for big companies to shift their profits for tax purposes beyond the government's reach and so gives the people of state or country a fair share of the profits. The tax policies of multinationals have long been a sore point and have raised accusations of transfer pricing, exploitation of currency movements, and the like.

The counter argument is that it should be an axiom of tax law that nobody pays tax twice on the same unit of income. This is fundamental to the British tax system, and goes a long way to explain why the Inland Revenue placed so much emphasis in the mid-1970s on concluding

a double-taxation treaty with the United States. That treaty was finally ratified in 1980. Similar treaties are in force with many countries and, it is maintained, enshrine official opposition to unitary taxation.

If, therefore, unitary taxation was allowed to take hold, the financial position of international companies could be transformed. Higher taxes mean lower profits; that in turn means lower values for the heavily taxed assets; that could reduce the asset side of balance sheets and so affect gearing; and all these developments should be reflected in share prices. Investors might sell equity in affected companies.

### UK industrialists say federal legislation is the solution

Far from setting a precedent, it now appears that the unitary tax system is going to rebound on states who take their tax profits today at the expense of tomorrow's industrial investment.

"It is perfectly logical that companies will simply decide to locate elsewhere," Mr Gerry Bell, tax consultant with the American accountancy firm of Arthur Anderson, said.

He spoke at a seminar at the US embassy on Tuesday — a seminar designed to look at the whole question of US investment — and found himself pinned to the wall by questions over unitary tax from an audience of 100 British firms which has just heard of the Supreme Court decision.

Mr John Liddard, deputy

group tax manager with BAT Industries, agreed. "Where there is a choice between investing in the 10 or 11 states which have unitary taxation, and others that do not, clearly companies will shy away from states which have it," he said.

BAT has 36 per cent of its assets in the US, and that market provided 45 per cent of its trading profit and 27 per cent of turnover. The unitary tax "affects us mainly on tobacco," said Mr Liddard. "The Barclay cigarette we sell in California is the same as we make elsewhere."

"We thought we had agreed our tax liability with California, but the Revenue has now reopened the calculation. This judgment strengthens its hand because it establishes that unitary taxation is not unconstitutional."

Mr Bell added: "All decisions regarding the location of a factory are a complex mix." The two most important are personal and family considerations, and marketing.

"But if you are going to locate on the United States West Coast, there is no real reason why you shouldn't put your factory into Oregon, next to California, and truck your goods into the big market."

Most significant of all is a Bill at present going before the Oregon legislature which proposes to remove unitary tax from companies during the first five years of their operations.

"What is most infuriating to companies is to be making losses during their start-up period and still find themselves paying taxes," explained Mr Bell. "The first five years is also when it's at its most punitive."

His firm has been advising Oregon on its moves. "Oregon is obviously concerned about

foreign investment, from Japan and Asia generally," he said. "That's where it draws most from."

Illinois is another state that has removed itself, in its case completely, from the list of states imposing unitary tax.

And Mr Mario Cuomo, New York state's new governor, dropped unitary taxes against the headquarters of eight oil companies — a move adopted by his predecessor as a temporary budget-balancing exercise.

That list now reads as follows: Alaska, California, Colorado, Idaho, Indiana, Massachusetts, Montana, New Hampshire, North Dakota, Oregon and Utah.

### Financial position of companies could be transformed

California's complacency about its ability to go on sucking in investment, both American and foreign, stems from a decade-old claim that, if it were a country on its own, it would economically rank alongside Britain and China in terms of gross national product.

But that assuredness — a belief that the sheer size of its market is the ultimate magnet — has been knocked in several ways of late.

It proclaims new arrivals but did not shout loudly when Woolworth closed its distribution and management centres in California and Chicago and centralized them in the little town of Junction City, Kansas.

What should have chilled Californian hearts was the fact that Woolworth's \$30m

(£19.35m) investment in a new warehouse facility in the heartland of the Mid-West was to serve 23 western states.

"We are an overnight trucking time from Houston and New Orleans," said Mr Wade Anderson, Kansas state industrial development executive, "and two truck days from either coast. Why do you have to locate in California?"

Mr James Schwartz, the secretary of the Kansas Economic Development Authority, added: "Kansas does not impose unitary tax and we view it as a major disincentive to foreign investment."

Kansas has already attracted subsidiaries from British companies like British Oxygen, Chloride, Motherwell Bridge and Simon Engineering.

Those states which want to attract industry will go out of their way not to jump onto the unitary tax bandwagon. "Mr George Borey director of international client service at accountants Alexander Grant, said.

The unitary system is of greater concern to British industrialists than any other foreigners. Last year, United Kingdom firms supplied 63 new manufacturing plants in the US (36 of them on the East Coast) against 44 from Japan, 41 from West Germany, 37 from Canada and 19 from France. That was out of an annual total, for the US as a whole, of 271.

The competition to get job-creating factories from abroad has been intensifying. In 1981 there were 348 new plants from abroad, and in 1980 there had been 388.

These circumstances have led the British lobbying group, which represents some 60 companies, to argue that federal legislation is the only solution. Intense diplomatic pressure is likely to be directed at the US administration which, in the shape of the US Treasury, is sympathetic to the opponents of unitary tax. An "amicus curiae" brief was filed by the government in the California vs Container Corporation case.

The object of this pressure will be to push through identical bills which at present stand before the House of Representatives and the Senate. But gloomy Whitehall sources claim that only the threat of retaliation will stir Uncle Sam and Capitol Hill into action.

The hope, nevertheless, is that the question can be resolved before cases brought by Shell and Thorn-EMI come before the Supreme Court. Nobody wants another wide-ranging international dispute, and no company finance director wants to dig out the files of a decade ago.

## Scottish & Newcastle Breweries plc



### Results 1983

Preliminary announcement

The audited results for the 52 weeks ended May 1, 1983 are as follows:

	1983 £m	1982 £m
Turnover	641.8	620.5
Operating profit	52.0	47.8
Financial income	2.8	2.4
Less: Financial expenses	54.8	50.2
Profit before taxation	13.7	18.0
Less: Taxation	41.1	32.2
Profit after taxation	14.2	9.7
Less: Extraordinary items	28.9	22.5
Attributable to Scottish & Newcastle Breweries plc	—	3.4
Less: Preference dividends	26.9	19.1
Attributable to ordinary shareholders	0.5	0.5
Less: Ordinary dividends	26.4	18.6
Profit retained	13.2	12.4
Earnings per ordinary share before extraordinary items	13.2	6.2
	9.4p	7.8p

In the 52 weeks ended May 1, 1983, the current cost profit before taxation was £29.1m (1982 £21.3m), and the amount attributable to ordinary shareholders after extraordinary items £14.4m (1982 £7.7m). After providing for dividends, £1.2m was transferred to reserves (1982 £4.7m from reserves).

The above results are an abridged version of the Company's full Accounts which carry an unqualified Auditor's report and which have not yet been filed with the Registrar of Companies.

### Pre-tax profits increased by 28%.

Beer: Higher earnings through greater productivity. Good recovery in licensed house contribution. Some beer volume decline linked with positive margin improvement.

Hotels: Better contribution from London hotels offset by more difficult trading conditions elsewhere. Overall earnings slightly down.

Waverley Group: USA and general beer exports continue growth. Elsewhere, volumes and contribution down. Off-licences have a difficult year.

Finance: Borrowings cut by £24m and lower interest rates result in much reduced finance costs.

Recommended final dividend of 3.163p—an increase of 10% making a total for full year of 4.663p (1982 4.375p).

The annual general meeting will be held in Edinburgh on August 18, 1983 at noon. The proposed final dividend will be paid on August 29, 1983 to ordinary shareholders on the register at the close of business on August 3, 1983.

The annual report and accounts will be posted on July 26, 1983. Additional copies can be obtained from the Company Secretary, Scottish & Newcastle Breweries plc, Abbey Brewery, Holyrood Road, Edinburgh.

## July 4th 1983 will be Independence of America Day

### US\$120,000,000 Guaranteed Floating Rate Notes due 1984 Citicorp Overseas Finance Corporation N.V.

(Incorporated with limited liability in the Netherlands Antilles)  
Unconditionally guaranteed by

**CITICORP**

Notice is hereby given that the Rate of Interest for the second one-month sub-period has been fixed at 10 1/8% per annum and that the interest payable for the second one-month sub-period in respect of US\$10,000 nominal of the Notes will be US\$81.08. This amount will accrue towards the interest payment due August 31, 1983.

July 1, 1983, London  
By: Citibank N.A. (CSSI Dept), Agent Bank

**CITIBANK**

## The Royal Bank of Scotland Mortgage Rate

The Royal Bank of Scotland plc announces that with effect from close of business on 1 July 1983 its Mortgage Rate will be increased to 11 1/4 per cent per annum



















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**BIRTHS, MARRIAGES, DEATHS**  
and **IN MEMORIAM** (25 pence line)  
Announcements authenticated by the name and permanent address of the sender, may be sent to:  
**THE TIMES**  
200 Gray's Inn Road  
London WC1X 8EH  
or by telephone 01-477 3333  
Announcements can be received by telephone between 9.00am and 5.00pm, Monday to Friday, on Saturdays between 9.00am and 12.00noon. For publication the following day, please by 1.00pm.  
**FORTHCOMING MARRIAGES**  
WEDDINGS, on or about  
Sunday, June 25, at 2.00pm.  
Court and Social Page announcements can be accepted by telephone.

\*O.L.D. be gracious with us: we have written for this time of trouble. - Isaiah 53.2

## BIRTHS

**BANKS**, On June 28 to Stuart (deceased) and Nicholas a son.  
**COTTON**, On June 28, at a local hospital, a son, Neil, to a Mrs. C. Cotton.  
**de RIVAZ**, On June 21 at a local hospital, a son, to a Mrs. de RIVAZ.  
**ELLIOTT**, On June 22, at a local hospital, a son, to a Mrs. Elliott.  
**GOLDMAN**, On June 24, at a local hospital, a son, to a Mrs. Goldman.  
**HOLDS**, On June 24, at a local hospital, a son, to a Mrs. Holds.  
**MACKEITH**, On June 24, at a local hospital, a son, to a Mrs. MacKeith.  
**PRICE**, On June 19, at a local hospital, a son, to a Mrs. Price.  
**THOMAS**, On June 19, at a local hospital, a son, to a Mrs. Thomas.

## BIRTHDAYS

**KATE BALLOCH**, 21 today. Congrats to Kate and Bill.

## MARRIAGES

**WODA, SHERIDAN PATTERSON**, On June 24, at a local hospital, a son, to a Mrs. Woda.  
**GOSLING, MODDER**, On July 1, 1983, at a local hospital, a son, to a Mrs. Gosling.

## DEATHS

**BELOE**, On June 29, at a local hospital, a son, to a Mrs. Beloe.  
**BIDDLE**, On June 29, at a local hospital, a son, to a Mrs. Biddle.  
**BLUNDIE**, On June 29, at a local hospital, a son, to a Mrs. Blundie.  
**CHAMBERLAIN**, On June 29, at a local hospital, a son, to a Mrs. Chamberlain.  
**EVYNN**, On June 29, at a local hospital, a son, to a Mrs. Evynn.  
**FAIRNIE**, On June 29, at a local hospital, a son, to a Mrs. Fairnie.  
**HERBERT**, On June 29, at a local hospital, a son, to a Mrs. Herbert.  
**MACALPIN**, On June 29, at a local hospital, a son, to a Mrs. Macalpin.  
**MACKEITH**, On June 29, at a local hospital, a son, to a Mrs. MacKeith.  
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**ANNOUNCEMENTS**  
**JOIN THE CAMPAIGN**  
Give to the Cancer Research Campaign and you'll be making a real difference. The Campaign has a special offer for you. For every £10 you give, we'll match it. That's £20 for you. It's simple. It's easy. It's the best way to help the fight against cancer. Write to: Cancer Research Campaign, 100, Strand, London WC2R 0PH.

**URGENTLY REQUIRED**  
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**LOGICAL COMPLEX** - Can you professionally produce one? Write to: Mrs. M. D. 190, Strand, London WC2R 0PH.

**ROLAND**, 190, Strand, London WC2R 0PH. Places Mr. D. M. 190, Strand, London WC2R 0PH. Places Mr. D. M. 190, Strand, London WC2R 0PH.

**CONGRATULATIONS** to all members of the Cancer Research Campaign. Write to: Cancer Research Campaign, 100, Strand, London WC2R 0PH.

**ALYSE SIMPSON**, 190, Strand, London WC2R 0PH. Places Mr. D. M. 190, Strand, London WC2R 0PH. Places Mr. D. M. 190, Strand, London WC2R 0PH.

**THE GILFILLAN**, 190, Strand, London WC2R 0PH. Places Mr. D. M. 190, Strand, London WC2R 0PH. Places Mr. D. M. 190, Strand, London WC2R 0PH.

**FRANCE MID WEST COAST**  
MASSIVE REDUCTIONS ON OUR REMAINING JULY VACANCIES.  
Write to: Mrs. M. D. 190, Strand, London WC2R 0PH.

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Luxury 190, Strand, London WC2R 0PH. Places Mr. D. M. 190, Strand, London WC2R 0PH. Places Mr. D. M. 190, Strand, London WC2R 0PH.

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